

Agriculture

Phosphate users look to reactive rock potential

by Ann Taylor

SUPERPHOSPHATE users, manufacturers and researchers, faced with dwindling supplies from the traditional Pacific Island sources, are now casting eyes towards the Chathams and new processing methods the ample deposits there and elsewhere will require.

For years this country has enjoyed a ready supply of phosphate rock from well-endowed Pacific Islands. The remaining deposits on Christmas Island will be dried up in six years and manufacturers, with an industry based on adding imported sulphur to the rock to make superphosphate, are

casting around for other supplies.

But now the industry is beginning to look seriously at direct application phosphate, known as reactive rock.

The Chatham Rise deposit, for example, is reactive rock which does not have to go through the acidulation process used for superphosphate to make it agronomically usable.

And there is the possibility that local sulphur, to date not mined economically, could be applied with the reactive rock.

"We will provide whatever the customer wants," said John Campbell, president of the Fertiliser Manufacturers' Association, which has recently formed

a new company — NZ Phosphate Co Ltd — to take over the imports and distribution of phosphate, previously handled by the British Phosphate Commission.

Campbell, general manager of The East Coast Fertiliser Company, has reservations about direct application rock, but said the vested interests of manufacturers in keeping their processing facilities working would not be totally compromised if farmers favour the direct application rocks.

"We do not have the dog in the manger attitude attributed to us... whatever kind of rock is imported will need to be

handled and processed to some extent," he said.

There is some feeling among smaller manufacturers that the virtual cartel of the five major shareholder companies will make it difficult for others to import rock phosphate in sufficient quantities to make transport economic.

NZ Phosphate's major shareholders are Ravensdown, Southland Phosphate Co, Bay of Plenty Phosphate Co, NZ Farmers Fertiliser and East Coast Fertiliser Co. Among companies looking to import reactive rock are Dalgetys, Winstones and Mitsubishi.

The new company's policy, carried over from the commis-

sion, is to average the price of imported rock for the local market, which could preclude other importers.

Des Higgins, director of the Fertiliser Manufacturers' Research Association, is vehement in his objections to direct application rocks. "They have a long and inglorious history; are not very economical and suffer a number of application difficulties," he told *NBR*.

While he concedes that the Chatham deposit should be thoroughly investigated because of its potential to save overseas funds, he is "very sceptical of any viability" for direct application rock.

Higgins said the world was

"bristling with phosphate suppliers" and the industry was looking to conventional sources — in Africa, the United States and the Middle East. "There are no disadvantages in changing to another supplier," he said.

The research association is currently looking at increasing the active ingredient content so that smaller quantities will do the job properly and thus reduce transport costs.

John Mauger, of East Coast Fertiliser, outlined the phosphate future to the Lincoln farmers conference last month. He said the reactive rocks, from North Carolina, Peru and the Chatham Rise, were performing as well as or better than superphosphates by the second year.

In upland areas where sulphur is as critical an input as phosphate — part of the latter's success — Mauger said sulphur inputs would change as the form of phosphate changed.

Massey University Professor J K Syers said the reactive phosphate rocks had a good potential in this country's pastoral farming. He also points to the advantages of its slow-releasing properties for forestry applications.

Phosphate fertiliser is a major cost to farmers and taxpayers. Its price at the factory door has risen from a weighted national average of \$34 in the 1979 year to \$92 in the 1981 year.

Application cost to the farmers was \$143 in the 1981 year and is expected to rise to \$165 next year. A transport and application subsidy, of about \$15 a tonne, costs the taxpayer dearly on the two million tonnes of superphosphate applied last year.

Farmers are evidently economising. Last June they put 2.37 tonnes of super on to the land... this year only two million — a reduction of 16 per cent.

Phosphate imports cost \$68.1 million in the June 1980 year, for 1.2 million tonnes. The weight was doubled by processing to super to the two million tonnes which farmers used last year.

The Ministry of Agriculture and Fisheries research division has shown there would be significant savings in transport if less heavy reactive rock was applied. Reactive rock has a greater residual effect and could possibly be applied less frequently.

MAF people also argue that because the ratio of sulphur to phosphate is flexible with granulated reactive rock it could have a variety of concentrations for different conditions.

The chemical processing of superphosphate, is a fixed reaction.

J D Wright and Co Ltd, a bulk fertiliser manufacturer, has been experimenting with reactive rocks for the last eight years. Spokesman Jim Wright said his firm's problem was to get the rock. "When we ask them (the suppliers) they make some excuses."

Demand was good in the Hamilton area for the direct application rock, which he mixes with potash, superphosphate and lime, he added.

Wright wants the suppliers to grind the phosphate. He put in a \$50,000 crushing plant last year but has still had trouble getting supplies. He says his company is the "thin edge of the wedge" of those wanting to use "non-chemical" fertiliser.

NEW ZEALAND'S
NATIONAL WEEKLY OF
BUSINESS, POLITICS
AND ECONOMICS

Incorporating Admerk

50 cents

Inside

THE WEEK
Private TV hopaluts
serious about disclosures
commanded by TVNZ — Page 5

Winstone answers the
call — Page 5

COMMENT
Editorial, Brockie's view,
without word of a lie — Page 6

84 Birch seemingly at a
loss over fuel oil — Page 7
Letters to the editor —
Page 8

POLITICS
The marital anatomy of
Don Couch — Page 9

ECONOMICS
Spending now on bor-
rowed money, the Govern-
ment way — Page 11

MANUFACTURING
Carpet-maker with the
answer to cracking the
American market — Page 12

FINANCE
The dinkum oil may over-
take the market — Page 13

STOCK EXCHANGE
A weekly review of the
New Zealand market —
Page 15

BUSINESS
Analysing annual ac-
counts: BNZ Finance — Page 19

OVERSEAS TRADE
The Kuwaitis set up shop
here — Page 19

MARK
They now have a word for
it — Page 21

INDUSTRIAL RELATIONS
Drivers revving in high
gear — Page 22

RESOURCE DEVELOPMENT
Why diesel? Why not elec-
tricity? — Page 23

MANAGEMENT
The processes of change
— Page 24

WINE
A vintage to savour —
Page 25

LOCAL GOVERNMENT
Reason no longer turns a
blind eye — Page 26

AGRICULTURE
The numbers game down
in the meat works — Page 27

COMPUTERS
No deeply troubled on its
home ground — Page 28

TRANSPORT
Made in America? red
tape for our shipping — Page 29

REAL ESTATE
The shall game, 1981
— Page 31

Barbarich overtures to Amax

MINERAL Resources has withdrawn its Union Hill mine from the market — in favour of trying to negotiate a farm-out deal with the Martha Hill mine operator, Amax.

Mineral Resources managing director Jack Barbarich has had talks with several overseas mining majors exploring the idea of farming out an interest in Union Hill. His terms were \$1 million up front plus \$500,000 a year for three years spent on

exploration in return for which the mining major would get a 60 per cent interest in the mine.

Walhi Mining jointly owned by Mineral Resources and Green and McCahill would retain 40 per cent.

This offer was initially put to Amax. But it is understood Amax balked at the idea of paying the \$1 million up front money — though this is becoming regular practice in the United States.

Last week, Barbarich said, "the Union Hill has temporarily been withdrawn from sale."

At least five mining majors had a look at the Union Hill prospect — among them CRA, Tech Corporation, and BP Minerals.

Meanwhile, assay results from the Martha Hill mine suggest there could be reserves worth as much as \$1515 million. (Details, Page 2.)



Jack Barbarich... \$1 million up front

Farmers take Birch to court

by Ann Taylor

FEDERATED Farmers wants to challenge Energy Minister Bill Birch in court.

The Federation's West Coast division is one of three parties seeking a High Court review of changes made last month to the conditions of the Kanieri gold dredge's mining licence.

When granted last year, the licence required that the licensee — Kanieri Gold Dredging Ltd — "obtain all approvals required under other legislation" before dredging started.

That condition was later removed.

NBR understands that the Continental Bank of America offered to lend the wholly American-owned company \$10 million on condition that the clause was removed.

The three parties seeking the review — Kopara Sawmilling Ltd, the Westland Conservation and Development Association and the West Coast farmers — served documents on June 2.

A hearing has been set for July 1.

As *NBR* went to press, no statement of defence had been filed.

The three parties have asked the High Court to:

- Review Birch's amendments to the licence;
- Declare such decisions "unlawful and invalid"; and
- Make an order for costs in the applicants' favour on the grounds that in granting the original licence Birch "failed to take into account relevant considerations", "acted contrary to the rules of natural justice" and "beyond his statutory powers".

Under the Mining Act 1971, Birch is empowered to change

licence conditions for "the purpose of preventing, reducing or making good injury to the surface of the land".

But the farmers and foresters are objecting to the new conditions which allow the company to dredge without the ultimate land use being determined and to dredge "for gold" in the legal river bed.

Clause 34, which required that the company obtain "all approvals under other legislation", was entirely removed. The original licence required

that the ultimate land use be determined by the Westland Land Use Committee before dredging started and prohibited any work in the river bed "without the written approval of the Inspector of Mines and the Westland Catchment Board".

NBR understands clause 34 had to be removed before the Continental Bank of America would lend the company money.

The bank, apparently, believed

Continued on Page 12

It takes a wine taster to choose the greatest taste in beer.

In blind taste tests, "Les Amis du Vin", the North American wine-tasting society has judged Steinlager the world's finest beer four years in succession.

"A clean, crisp beer which has flavour, neither too sweet nor too bitter. Carbonation level was excellent and the bubbles lasted. It is truly a superb beer."



Steinlager. Winner of "Les Amis du Vin" Awards 1977 1978 1979 1980 Washington, D.C.

'Billion-dollar baby'?

by Ann Taylor

PLAYERS in the synthetic fuels gamble will lay their cards on the go, no-go table in San Francisco on July 7. Stakes in the game will bust the billion dollar mark. The joint Mobil and Government executive committee will meet there to receive and review a definitive cost estimate from Mobil's consultants. The task force has developed the plant "as if we'd decided to build it so that we can get cost-specific project estimates," said Energy Ministry deputy secretary Bill Falconer.

The executive committee, which has met regularly for 15 months, is a final check in the system and will present a final cost package to Mobil and Government here.

Mobil and the Government then have the responsibility for examining the commercial and

national interest economics and technical feasibility of the project and make a decision within 60 days.

Government and Mobil sources told *NBR* that the project costs will exceed \$1000 million by the time work begins in 1985, without taking into account cost over-runs.

When the plant was mooted in July 1979, Mobil's director of planning and supply in Wellington, Wayne Makela, put the likely cost for the synthetic fuel plant at \$100 million. The cost of the methanol plant would have been additional.

The original costing done by the Liquid Fuels Trust Board was \$350 million for the two plants.

The Ministry of Energy re-worked that figure and came out with \$440 million which Minister Bill Birch rounded out to \$500 million.

Continued on Page 3

Brokers break out

by Klaus Sorensen

SOME of the country's largest sharebrokers have got the Stock Exchange Association in a sweat.

A number of firms in both Wellington and Auckland have been bending the strict Stock Exchange rule about branch offices — and the association is worried that these breaches may jeopardise the passage of the parliamentary session of the amendment to the

Sharebrokers Act 1908, which will create the New Zealand Stock Exchange.

The irony is that while brokers are not allowed to set up branch offices in other cities, the creation of the New Zealand Stock Exchange will alter the voting rights of members — and this could allow the legal establishment of branch offices.

At present, most firms have representatives making regular

Continued on Page 16



DEVELOPMENT FINANCE CORPORATION OF NEW ZEALAND has asked us to advise on the following key appointment:



TECHNOLOGY DEVELOPMENT CONSULTANT

DFC's Applied Technology Programme provides finance and other assistance to encourage the development and commercial application of new technologies both large and small. It has a particular role to initiate and promote commercialisation of government and sector-sourced technology through licensing, development contracts and joint ventures. The successful candidate will be based in Wellington but involved in all aspects of this work throughout New Zealand. This is a fine opportunity to join New Zealand's development bank in fostering industrial research and development for the advancement of economic growth.

REQUIREMENTS:

- The appointee will probably have worked in product development, project administration, technical marketing or applied sciences.
- Appointee will have a university degree or professional qualification, preferably in engineering, sciences or business subjects.
- Strong oral and written communication skills.

REWARDS:

- The salary will attract quality applicants.
- Substantial benefits are available. Details to be discussed at a confidential interview.

APPLICATIONS:

Strictly confidential. Please apply in writing stating age, experience, qualifications, other relevant information and telephone numbers, mentioning Position R.B. 1770 to:

**MR R.H. BORLAND
MANAGEMENT RESOURCES LIMITED
Box 11-237, Manners Street PO
Telephone: 851-689, Wellington**

Martha Hill gold reserves worth \$1515 million

by Warren Berryman

GOLD reserves worth more than \$1515 million can be inferred from the latest assays of drill cores from the Martha Hill mine near Waihi.

Amex Exploration (NZ) Ltd and Mineral Resources (NZ) Ltd jointly hold the rights to Martha Hill. Mineral Resources has a 10 per cent carried interest.

With cautious optimism, Mineral Resources chairman Dr John Watt released a statement and assays from six drill holes last week.

Amex has spent more than \$3 million and drilled 2700 metres of holes since the inception of the joint venture. Most of those holes were drilled into the area between the Martha and Welcome reefs atop Martha Hill.

A further 5000 metres of

drilling is anticipated within the next 12 months, Watt said. "The diamond drilling programme has continued to indicate the potential for a major low-grade precious metal deposit within the prospecting licence area," Watt said.

"The first 10 drill holes have intersected potentially economic mineralisation to a depth of 250 metres over the entire length of 400 metres tested to date. Drilling density is not yet sufficient to accurately estimate grade and tonnage."

"However an *in situ* potential of about 150,000 tonnes a vertical metre is considered possible at a grade of 2.5 grams of gold a tonne and 25 grams of silver per tonne."

"To a depth of 250 metres tested to date a potential of resources of 35 million tonnes can therefore be interpreted. In view of the fact that the vein

system was worked to 610 metres in depth and the further fact that the deposit continues beyond both ends of the tested portion, it is considered that a significantly greater tonnage could be present," Watt said.

Gold is presently selling for \$17.32 a gram. So 35 million tonnes of ore containing 2.5 grams a tonne would be worth \$1515 million.

Past miners working the Martha Hill area found the silver in the ore paid for their operating costs and the gold provided the profit.

Judging from data contained in old geological records the 35 million tonnes of potential ore mapped out by these 10 drill holes may only constitute a quarter of the total potential reserves.

The holes have been drilled only to less than half the depth of known mineralisation. Fur-

ther mineralised zones are known to lie between the line of strike and Waihi township, and the strike might be extended on both ends.

As the assays show, particularly on hole 13, the deeper one goes the better the assays become.

Martha Hill was once the third largest gold mine in the world. Over its life it produced 8 million ounces of gold and 27 million ounces of silver valued at today's prices at \$5300 million.

How much gold the old timers left behind is being shown by the drill holes.

Watt said metallurgical testing showed possible recovery rates of 94 per cent for gold and 88 to 90 per cent for silver.

"Economic modelling is continuously being carried out based upon the assumption that

any eventual mining operation would consist of an underground mine in combination with a small open pit in the earlier years," Watt said.

NBR understands the underground method most likely to be employed would be block caving.

Watt concluded on a cautious note: "Although the resource has the potential to become a large, low grade, low cost gold producer with high profitability, it is emphasised that a great deal of additional drilling is required before the resource can be classified as an ore reserve and before mine developments can be contemplated," he said.

Still, the assays provided by Amex indicate gold values well above economic cut-off grade. If detailed penetro drilling shows the entire area grade to be consistent with that found in these holes the prospect would look very much like a gold mine.

Waihi Mining holds mining rights to Uolun Hill about 1km from Martha Hill.

Waihi Mining has extracted some ore from a reopened mine in the Amaranth silt. Some assays from this ore ran a hefty 6 grams gold and 360 grams silver a tonne. (NBR, April 6)

The recent floods halted mining operations.

The week in brief

THE Court of Appeal ordered Cabinet papers on the decision to put the Aramoana aluminium smelter on the "fast track" National Development Act to be handed over to anti-smelter groups challenging the decision. The Minister of National Development Bill Birch and the Governor-General Sir David Beattie have been ordered to appear before the court.

POLICE and Maori Affairs Minister Ben Couch received a long range "kick up the backside" from Prime Minister Rob Muldoon in Paris for publicly supporting apartheid. Meanwhile Muldoon manoeuvred Parliament into condemning the Springbok tour as African Commonwealth nations threatened to isolate New Zealand, casting doubt on the September Commonwealth Finance Ministers meeting in Auckland and participation in the Brisbane Commonwealth Games next year.

AIR New Zealand is applying to the Air Services Licensing Authority to raise domestic fares by 7½ per cent and to the Ministry of Transport to increase international fares by 5 per cent.

CHARGES against an Air New Zealand Friendship captain for making a dangerously low approach to Palmerston North airport in bad weather were dismissed by a High Court judge.

A 15 billion yen Eurobond issue is being raised by the Reserve Bank over 6½ years at 8½ per cent.

The week ahead

WEDNESDAY: Export conference, Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY: Hastings, till Monday.

TUESDAY: Hastings, till Monday.

WEDNESDAY: Hastings, till Monday.

THURSDAY: Hastings, till Monday.

FRIDAY: Hastings, till Monday.

SATURDAY: Hastings, till Monday.

SUNDAY: Hastings, till Monday.

MONDAY

SMALL COPIER, BIG OFFER.



Right now, you can save literally hundreds of dollars on the Xerox 2300 Copier. You can save even more, if you have a trade-in copier. Find out how just by ringing Rank Xerox.

You can't go wrong!

Ring the Rank Xerox Hotline operators now, and save hundreds of dollars by ordering your Xerox 2300 today. It's the desk top copier that gives you crisp, clear copies everytime,

or ask about the other models in the extensive range of Rank Xerox Copiers.

It will cost nothing to find out how many hundreds of dollars you can save... and best of all, you're saving on a Xerox product.

RANK XEROX®
Setting the standards.

FOR BIG OFFERS ON SMALL COPIERS RING NOW!

Auckland 794 986 Wellington 842 209 Christchurch 796 860 Dunedin 771 336

Whangarei 89 800 Hamilton 80 579 Rotorua 86 110

New Plymouth 88 179 Napier 58 710 Palmerston North 67 086

Nelson 83 767 Invercargill 88 119

*XEROX and RANK XEROX are registered trademarks of Rank Xerox (N.Z.) Limited.

The week

Karioi mill breakeven still several years away

BREAKEVEN point for Winstone's Karioi pulp mill is some years off, according to deputy managing director John Ede. However, he told *NBR* last week that new markets in Asia had helped to boost production to about two-thirds capacity, and the company was budgeting for increasing output in 1982-83.

The maximum capacity for the Winstone mill is about 400 tonnes a month. The mill is now running a two-line operation five days a week, producing 400 tonnes a month. Following Winstone's difficulties in the Korean market production was cut to a one-line operation seven days a week.

Ede gave *NBR* Winstone's side of the story last week after adding heavy flak for its announcement of a bonus issue of final dividend payment to shareholders — mere weeks from the approval of a \$15 million Government bail-out for the mill.

"We still think there is a precedent for this sort of Government investment in terms of what happened with NZ Steel and Tasman Pulp and Paper," he said.

"We think the 14 per cent interest rate is a reasonable commercial rate for the government to impose."

"Government's decision to become involved is strictly commercial, following an in-depth investigation by Treasury."

Ede said part of the money would be used to repay foreign borrowings which had been costing Winstone a lot both in terms of high interest rates and exchange losses.

The remainder of the money would go into capital expenditure on the Karioi thermo-mechanical pulp mill.

"Some people are making a lot of play out of the taxpayers' risk in this \$15 million investment," he said. "In my opinion the risk is low, the loan is secured by Winstone Forestry

Company debenture stock, and this is first-ranking over the assets of the group. The specified preference shares carry a preference dividend and they rank ahead of shareholders."

Winstone has been asked why the taxpayer had to bail Winstone out, when Winstone was making a profit. Why didn't Winstone shareholders face up to the problem themselves?

Ede said that Winstone's shareholders did face up to the investment. "Winstone-Samsung's original capital was \$7 million of which Winstone's took up \$5.6 million and the Koreans \$1.4 million."

"Subsequently we injected \$7 million in cash. We've got a forward commitment which will require some millions more from the group." (Ede

declined to give a more precise figure.)

"The losses so far absorbed by Winstone on Karioi have been \$16.5 million," he said. "Anybody that says that Winstone's shareholders are not footing the bill are at odds with the facts. We were finding it extremely more difficult to find more funds."

NBR asked Ede why Winstone didn't bail itself out from its own profits. Ede said: "Winstone's is a totally New Zealand-owned company with a lot of small shareholders. Shareholders' equity is very low as the mill drew off funds. We had a desperate need to broaden our base because if we didn't our borrowing capacity would be stripped."

"One of our options was to broaden the base with a specified preference share issue. If we were to have an

issue at that time it quickly became apparent it was paramount to continue with the dividend. If we hadn't paid the dividend, who would have picked up the specified preference shares because the price of the shares would have tumbled anyway?"

"We thought we had to show shareholders some tangible indication of an approved outlook. That's the reason we had a bonus issue — not a generous one by any means."

Winstone's \$3.6 million profit, which included a tax credit of about \$1.2 million, was strongly criticised by Labour. But Ede pointed out a \$3.6 million profit on \$192 million in assets employed was only a 1.86 per cent return on assets — hardly a spectacular performance.

So why did Winstone deserve a bail-out when other firms

were allowed to go to the wall, *NBR* asked.

Ede said the mill employed 120 people, the bulk of them hired locally as untrained staff, and subsequently trained by Winstone, and a further 40 people were employed by Winstone's afforestation company.

This was in line with both National's and Labour's regional development policies.

Ede said that contrary to statements made in the press, Winstone had received expert advice from foreign and domestic forestry experts, international bankers and consultants before going ahead with the Karioi venture. He said at the end of the day, the Government approved the project.

To overcome its present problems Winstone is hiring overseas consultants.

Hard line on licence tender errors

by Richard Fletcher

THE Department of Trade and Industry is taking a hard line on invalid applications for export licence tendering.

One businessman said that when the tendering system was introduced, some leeway had been allowed by department officials because there was confusion over whether tenders should include the licence cost. Perhaps some latitude was relevant in his case, he argued.

But departmental officials told *NBR* that by the time of the seventh lot, confusion over inclusion of the licence price in tenders had evaporated.

There had been confusion in earlier tenders over servicing requirements for new types of machinery or goods.

The officials said the department tried to make tender forms as clear as possible and consultation with the commercial community was continuing before the second round of tendering gets under way.

Asked if the department's decision for the last round could be reviewed in cases where the licences had been deemed invalid, Trade and Industry said applicants could try again next round — when licences not fully allocated in round one would again be put up for tender — but the doors are closed this time.

company to company, ranging from tender forms being incorrectly filled out to apparent confusion on whether more than one unit could be tendered for on the same form.

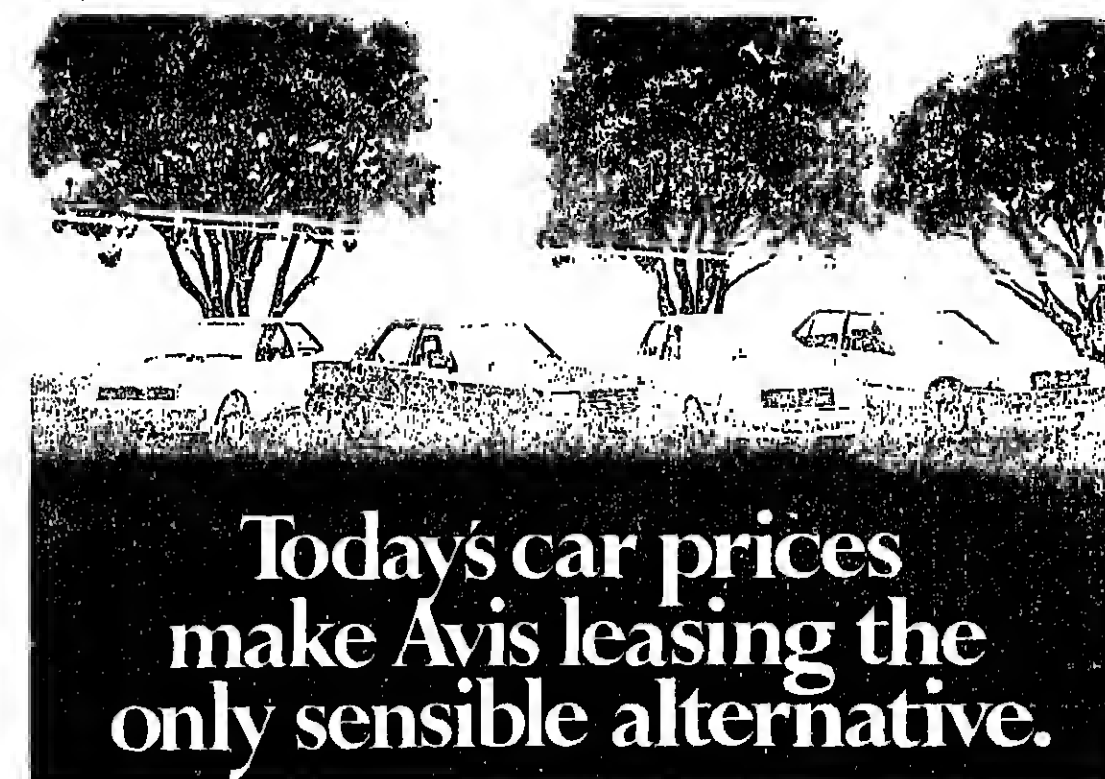
One businessman said that when the tendering system was introduced, some leeway had been allowed by department officials because there was confusion over whether tenders should include the licence cost. Perhaps some latitude was relevant in his case, he argued.

But departmental officials told *NBR* that by the time of the seventh lot, confusion over inclusion of the licence price in tenders had evaporated.

There had been confusion in earlier tenders over servicing requirements for new types of machinery or goods.

The officials said the department tried to make tender forms as clear as possible and consultation with the commercial community was continuing before the second round of tendering gets under way.

Asked if the department's decision for the last round could be reviewed in cases where the licences had been deemed invalid, Trade and Industry said applicants could try again next round — when licences not fully allocated in round one would again be put up for tender — but the doors are closed this time.



For companies and self-employed professional people, leasing a vehicle through Avis may actually cost less than owning and running the same vehicle yourself.

There are many basic reasons for this: Firstly, in most cases all lease payments for business vehicles are fully tax deductible. Generally, ownership does not offer this benefit.

Secondly, Avis leasing means your valuable capital isn't tied up in vehicles and can be invested.

Instead in profit-bearing assets such as new plant or stock. Avis leasing also reduces the impact of inflation because your transport costs are fixed for the whole period and your monthly payments are made in dollars of decreasing value.

Whether you need one vehicle or an entire fleet, talk to Avis first. Our consultants will be only too pleased to call and help you evaluate leasing versus buying based on your specific circumstances — at no cost and no obligation.

Here's how Avis Leasing saves you time and money

1. Your choice of "finance only" or "full maintenance" leases. With full maintenance leases, all servicing / repairs etc. are included in the lease. Under both plans all lease payments in most cases, are fully tax deductible.
2. Avis leasing means you can have the new car now, possibly saving maintenance costs on your current vehicle. An Avis lease also covers you administration time because car purchase and sale problems are removed as are the burdens of day to day cost control.
3. Avis will lease virtually any make or model of vehicle, even small trucks and vans.
4. Avis leasing means easy vehicle renewal. Before the lease expires, Avis will advise you of any new models suitable for your fleet. At changeover time, you simply drive in the old and drive away the new.
5. Leasing through Avis moves fleet management responsibility out of the company into specialist hands. And because Avis is New Zealand's largest private fleet operator, we have the expertise to advise you on the most cost-effective vehicle to suit your specific needs.
6. An Avis lease won't require you to draw upon your credit line because Avis leasing acts as an independent source of capital.
7. As an Avis lease customer, you have access to New Zealand-wide back-up service. You are also entitled to a substantial discount on temporary car hire should the need ever arise. Also, if required, we'll send you our Avis Wizard Card which assures speedy, preferential service when you hire from Avis' rental division.

Ph Auckland Collect 572-165 or write to P.O. Box 14-258, Auckland.

This leasing service is provided by Mutual Rental Finance Limited — a member of the Mutual Group of Companies.

AVIS CAR LEASING

National Bank Base Rate

The National Bank of New Zealand Limited announces that, with effect from 19 June 1981, its Base Rate for lending is 10.25%.

The National Bank of New Zealand Limited

Editorial

LETTERS of support poured in to Maori Affairs Minister Ben Couch last week, ironically supporting him for saying something on television one day which he said he didn't mean to say the next. And when the matter of Couch's views erupted into controversy, Opposition politicians became involved in the further irony of expressing on one hand their admiration for the Minister's candour, while on the other calling for his resignation for breaching the hallowed principle of collective ministerial responsibility. Conform or resign, was Opposition deputy leader David Lange's demand.

The doctrine of collective Cabinet responsibility obliges every Minister to lend public support to every policy which Cabinet adopts, and requires resignations from those who find they cannot do so (it is a measure of the worth of the doctrine that, in this country, Ministers who breach it do not feel compelled to resign).

The doctrine is thus designed to hold all Ministers to a consensus viewpoint, and so discourages candour; dissenting Ministers are expected to remain silent rather than make known their contrary viewpoint or the reasons for it. In short, the doctrine encourages hypocrisy; Ministers do make contrary views known, but only privately and off the record, or through anonymous leaks of information to the news media.

Couch — for 18 years a shearing contractor, a former All Black, an elder of the Mormon Church and former member of the NZRFU council — said on his appointment to Cabinet: "What have I done to deserve this?" Through his outspokenness, and his defiance of the doctrine of ministerial responsibility, his colleagues must wonder what they have done to deserve his.

The Springbok tour issue sees Couch at his disident best. In 1977 at Glenelg in Scotland, Prime Minister Rob Muldoon committed his Government to "taking every practical step to discourage competition" between this country and South African sportsmen in accordance with our laws. Couch's claim of support for the Glenelg agreement cannot be reconciled with his prolonged determination to support sporting contact. On his first day in the Cabinet, he announced himself in favour of continuing sporting contacts with South Africa, and while Foreign Minister Brian Talboys was trying to dissuade the Rugby Union from issuing invitations to six players to go to the Northern Transvaal, Couch was telling reporters that, as Maori representative on the rugby council, he had voted in favour of sending out the invitations. He declared in an interview at that time that he saw no conflict in his dual appointments as Cabinet Minister and NZRFU council member ("First and last, I have been a rugby man, and that's what I intend to keep on being").

Three months later he announced his intention to visit South Africa to see for himself if rugby there was really becoming a multi-racial game. Talboys let it be known he would not talk about Couch's plans to reporters. Prime Minister Rob Muldoon declined to answer a list of questions put to him by the New Zealand Herald (because the Herald had published a critical editorial on the subject).

A few weeks later, Couch said politicians should "keep their sticky hands out of sport" and complained that the Glenelg Agreement had been forced on us "by people who do not have the same kind of democracy that we have". A

month after that the State Services Commission decided it would no longer grant leave, paid or unpaid, to those wanting time off to compete against South Africans. Couch complained the decision was "selected censorship" and endorsed the idea of "building bridges"; State Services Minister David Thompson replied that Couch would be seen by most New Zealanders as taking the "unusual" course for a Minister of disagreeing with a Government position.

Couch's attitude to apartheid remains unclear. He told the Auckland Star in February 1979 he opposed apartheid and fully supported the Glenelg agreement. On Newsmakers the other night, he seemed to be declaring his support for apartheid as appropriate to South Africa's circumstances. Next day, he maintained that morally he opposed apartheid; he had been caught off balance by interviewer Ian Fraser and had left an "entirely wrong impression". "What I was trying to say in the interview and didn't say very well is that at this stage of South Africa's development some form of separate development may be unavoidable."

It's not the first time he has confounded us. In January, he withdrew a statement about police and protesters because he had made "a mistake" in not making his view clear in a press interview. He said in the interview that if demonstrators went out of their way to cause disruption, then demanded police protection, "I say let's tell the police, 'don't get involved'". According to the revised version, it was "quite wrong" to take the impression that he was saying the police should not protect protesters (he acknowledged that the fault was his in not making himself clear). While he had doubts about protecting people who

deliberately provoked incidents at public gatherings, he now agreed "entirely" with the Prime Minister "that we must do our best to protect them".

According to Muldoon, Couch was "rather foolish" to appear on the Newsmakers programme. Reason: he was "too straightforward for that kind of discussion. Every word that he utters is taken in its literal meaning", and "taking some of his words literally" created the effect that what Couch was saying did not jell with Cabinet policy. The profundity of Ben Couch, apparently, requires us to search for deeper meanings.

An alternative view — and one that results only from Couch's refreshing refusal to be muzzled — is that he could not comprehend simple questions put to him in the Fraser interview or give clear answers, which throws into doubt his ability to read and understand Cabinet papers on complex issues, or to venture worthwhile opinions at Cabinet meetings. Similarly it throws into question his capacity to communicate effectively with his administrators, and hence to effectively run his departments.

But as constitutional expert E A Smith notes, if a Prime Minister stands by a Minister under attack, a Minister can brazen out "appalling indiscretions, gross errors and omissions, plans gone awry and revelations of disastrous mismanagement within his department". Couch's communicative shortcomings makes him a liability to the Government and his party. It will be a sign of Muldoon's disregard for the public interest, and disinclination to aim for excellence in his administration, if he allows the candid but clearly confused Couch to remain in his Cabinet.

— Ben Edlin

Without word of a lie

It can be done

PLANS for closer ties with Australia are proceeding in a cordial, if sedate manner on the economic front. But this country seems intent on ignoring the wider implications. Norman Kirk used the impotence of the 1974 Christchurch Commonwealth Games in his calls to cancel the 1973 Springbok tour but this Government's concern has not yet addressed itself to the Brisbane Commonwealth Games despite threats of boycott from African nations if this country attends.

Otherwise Kirk's reasoning is identical to the current anti-tour lobby and ministerial pleas aimed at the Rugby Union. Kirk appealed to the Rugby Union to protect the larger interests of the country.

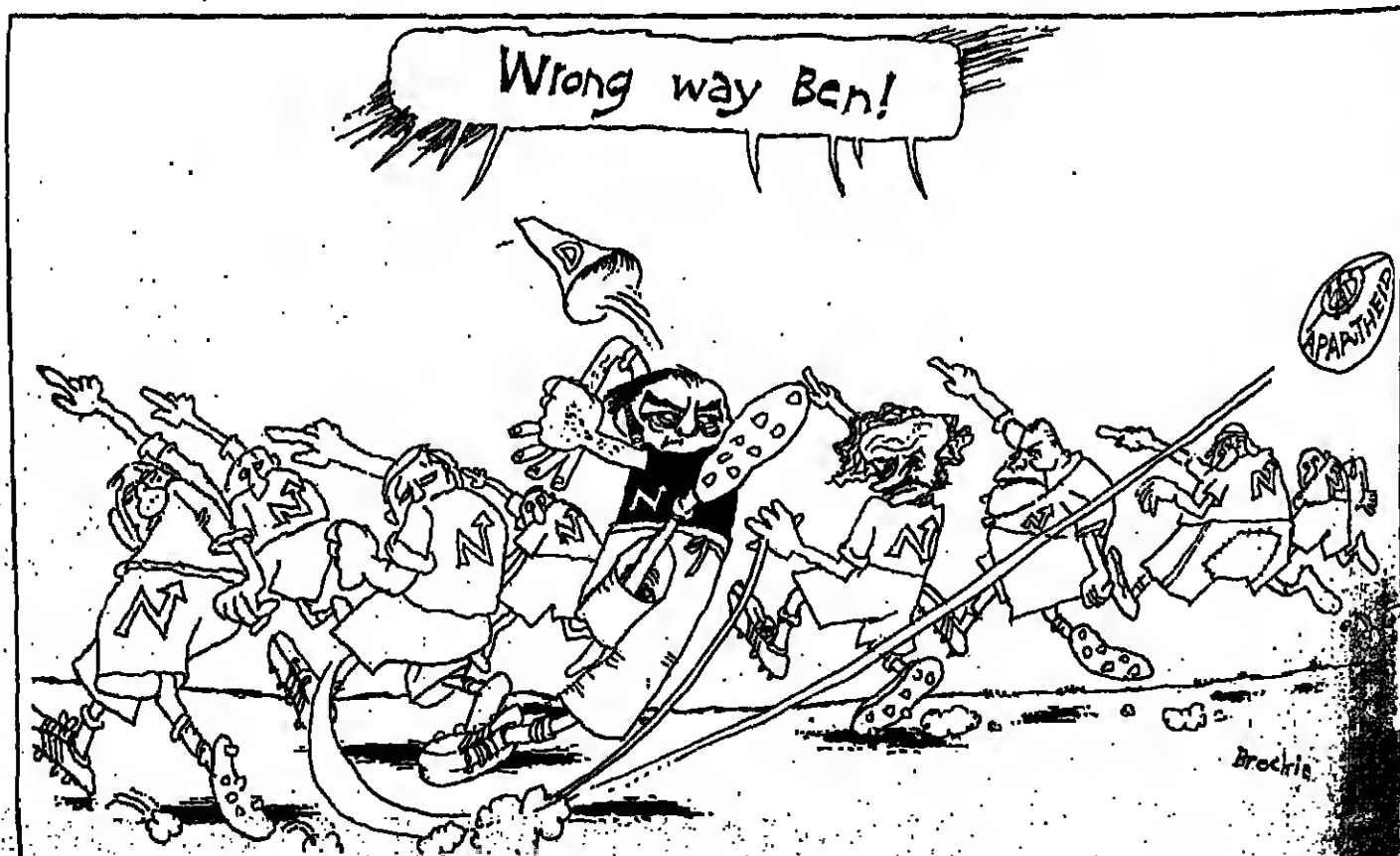
"The strains would exacerbate differences of attitude on racial matters... The disorder and violence would necessitate massive police intervention and a possible supporting role for the armed forces... would reduce the country's credibility as a decent, humane multi-racial society and expose it to condemnation in such forums as the United Nations... and in the considered view of the police would engender the greatest eruption of violence this country has ever known."

That tour was called off by the Rugby Union.

Infusion of confusion

"A REPORT which by virtue of its publication facilitates public debate" is how Environment Commissioner Ken Piddington saw the environmental impact report on Taranaki's proposed synthetic petrol plant.

Newspapers — purveyors of information all —



Brockie's view

NATIONAL BUSINESS REVIEW
Published by Fourth Estate Newspapers Ltd
Managing Director: Reg Strickland
Marketing Director: Ian E Grant
Production Manager: Ralph Green
Accountant: Robyn Pickett
Wellington Head Office
16 Blair Street, Wellington, NZ PO Box 8344
Tel: 736-878 Cables: Natbus

Editorial
Editor: Bob Edlin
Business editor: Klaus Sprenger
Sub-editor: Warren Mayne
News & Features
Colin James, Stephen Bell, Jack Hodder, Alan Parker, Ann Taylor, Richard Fletcher
Advertising Sales
Managers: Peter & C. Loh
Sales Office
100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

were quick to press with conflicting interpretations of the report with which to confuse the unwitting public.

The *Dominion's* news columns carried the story: "Synthetic petrol has been given the thumbs-down by the commission... which recommends the Government consider pollution factors before opting for synthetic petrol."

The *New Zealand Herald* carried a different story: "The commission endorsed the planned production of synthetic petrol as a worthwhile element of the Government's strategy... It recognized the short term benefit it could provide by making available a fuel which could immediately be incorporated into the distribution system."

For those interested in finding out what the commission did say, report, with 16 annexes, is available in libraries and from Government bookshops.

Set and composed by Fourth Estate Newspapers Ltd.
Printed by R Lucas & Sons Ltd.
105 Kent Road, Papanui, Dunedin

Single Copies: 80 cents
Subscription: NZ\$4.50
Annual: ARO (Aust) Bulfinch of Christchurch

Zip Partitioning Systems.
the optimum in design and sound ratings.
Zip Commercial Interiors
A MEMBER OF THE DOLING GROUP
414 Te Rapa Rd, P.O. Box 10261, HAMILTON, Tel: 439-615
77 Tindeman Quay, P.O. Box 845, WELLINGTON, Tel: 723-771
39 Manchester St, P.O. Box 4152, CHRISTCHURCH, Tel: 36-567
292 Kaitake Valley Rd, P.O. Box 2142, GUNESON, Tel: 36-084

Who's worried about oil? Not Bill Birch, it appears

by Nigel Isaacs

ENERGY Minister Bill Birch's concern for energy may be matched by his faith in his own planning abilities. But neither blind faith nor energy conceals a Government-instigated disaster in energy planning.

The energy conservation scheme designed to use more diesel fuel has curtailed the use of very fuel oil to a point where it is being exported at a loss.

The problem area does not seem to be petrol but diesel, and, more important, the forgotten industrial fuel oil.

The drastic reductions in "oil" use have been occurring in fuel oil use, and present industrial use are likely to exacerbate the crisis.

A recent release of oil demand figures from the Department of Statistics (see table) shows that petrol use has grown slightly in absolute terms, diesel use has remained virtually static, but fuel oil use has fallen.

With the recently announced conversions of a number of large industrial fuel oil users in the North Island to natural gas, it appears that this oil will terminate in a collapse of the industrial fuel oil market.

"Oil" is not the simple fuel that is so easily assumed in terms of the balance of payments. In the use, "oil" can take many forms, each with a specific range of uses. At the "top" of the barrel comes petrol and aviation fuel, while at the "bottom" forms industrial fuel, power station bunker and asphalt.

Fuel flows freely at room temperature, but at higher industrial grades require heating to make them to be burnt and sophisticated burner design. These extra handling costs make their attractiveness to all but the larger users.

The thicker the product, the less attractive it is, and the lower the cost it will fetch in a marketplace.

The refinery expansions have been designed to produce the goods described in the 1980 *Five Year Plan*. The key product is diesel, with

OIL COMPANY DELIVERIES (THOUSAND TONNES)					
Merch Year	Parol	Diesel	Fuel Oil	Other	Manufacturing Turnover (1980 \$ million)
1977	1883	1038	1152	318	10,880
1978	1882	1040	888	326	11,742
1979	1709	1040	820	382	12,818
1980	1618	1025	828	370	12,740

% change 78-80 +3.1 -20.5 -818
4th quarter 1980 434 256 171 83

Sources: Deliver: Statistics Department Release 81/41

Turnover: January 1981 Abstract of Statistics, plus advice from Statistics Department
Note: Percentage change calculated on fourth quarter 1980 to fourth quarter 1979

aviation fuels coming in as second priority.

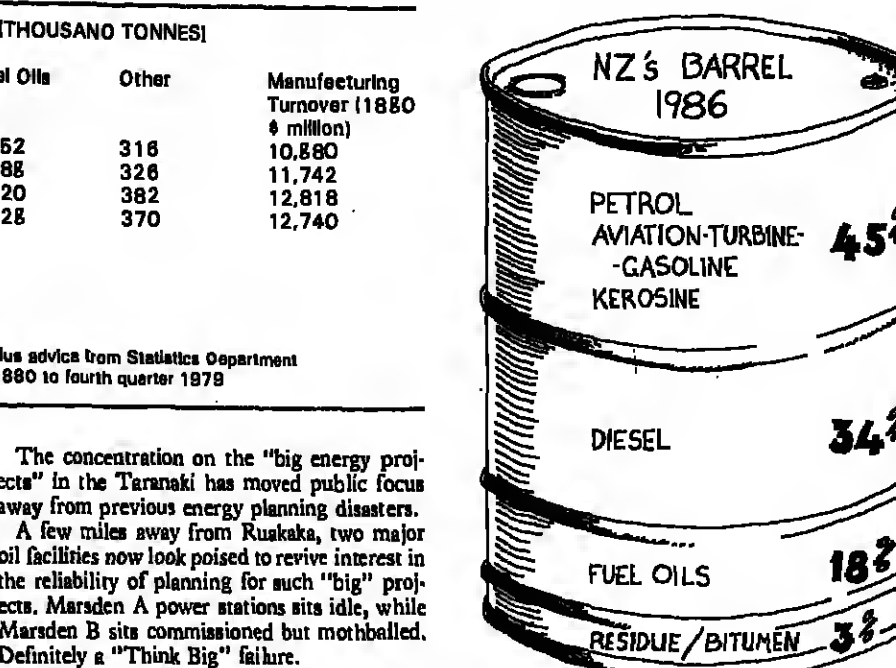
A cynic might even say the rest are by-products.

At present power station bunker is exported — and at remarkably low return. Even if we wanted to burn it in power stations, the tanks at both Marsden stations are filled with diesel — part of the nation's strategic supply.

The flexibility of the refinery expansions were dramatically shown by the remarks of the Director of the Ministry of Energy's oil market directorate, Andre Milkop in the *Listener*, on May 2. He stated that any change in the predicted demands on the refinery could have serious effects on the product outputs. Yet these changes are now occurring.

The Government incentives in place since the 1976 Budget have been aimed without discrimination at "conservation" of oil and electricity. Examination of the incentives reveals they are aimed at "conversion" to almost any other fuel.

The Electric Supply Authorities woke up last year to their impact on the electric scene, and had the Government not beaten them, the marketplace would have seen a hard sell on electricity.



The concentration on the "big energy projects" in the Taranaki has moved public focus away from previous energy planning disasters.

A few miles away from Rukaka, two major oil facilities now look poised to revive interest in the reliability of planning for such "big" projects. Marsden A power stations sits idle, while Marsden B sits commissioned but mothballed. Definitely a "Think Big" failure.

Now the oil refinery down the road is about to undergo major expansion, in the face of a dramatically changing demand pattern.

Oil substitution, of course, is far more attractive to large users with potential access to natural gas. Large North Island users could be seen as profitable customers for the Natural Gas Corporation, and supply contracts negotiated.

But the type of oil being displaced is not diesel, but rather industrial fuel oil.

In the South Island, the natural gas option is not available, but the 25 per cent electricity rebate enables large users to convert to new or modified processes.

The result is that the heavy oil users have converted at what would appear to be a far greater rate than was planned for.

Of course, there is one oil light on the

horizon. Aluminium smelters use heavy fuel oil for baking anodes.

The recently approved Tiwai Point expansion will use more heavy fuel oil, and the possible Fletcher Challenge smelter will help soak up even more. Still, if the planning is for strategic purposes, it seems strange to tie our ability to export aluminium to our ability to import oil.

On the energy scene, the more information that comes to light, the more Think Big looks like think big potential disasters. Perhaps that's why the Energy Minister is not too fond of freedom of information.

Nigel Isaacs is an Auckland energy consultant specialising in alternative energy sources.

Without word of a lie

Only kidding

WELLINGTON's friendly mayor Colin Kay found the other day the perils of saying "yes" up and see me sometime." He told a gathering that he had spent an entire day at the Remuera library in the May holidays talking with a group of about 15-20-year-olds. They were such a nice bunch that he told them they'd always be welcome to visit. One young lady called Julie phoned for an appointment, arriving with a home-made shortbread for His Worship to share along with orange juice for their afternoon tea. The lady assured him that she'd call him. The Mayor was obviously tickled pink, but made the wry comment that he hoped the

other 40 weren't going to take him up on the offer as well.

Dead-letter dole

THE Social Welfare Department wants to reduce the number of money orders sent through the post to cut down on postage and workers' time. It is arranging for more unemployment and sickness beneficiaries to receive payment by direct credit to Post Office or bank accounts.

But the unemployed are well known for their vagrant mobility. Eight dole cheques adorn the mantle of a recipient's one-time fireplace. He has been in New York for six months and, because of the risk of being had up for fraud, the \$452.64 has never been locked into a personal account.

"WE'LL BUY YOUR USED CAR/S"

From one vehicle to a Fleet, we'll buy cars, utes and light commercials, of any age and in any shape or condition!

And we'll pay top market prices.

Ring us. Our buyers are situated throughout the country and will come to you at your convenience, value your vehicles without charge or obligation, and pay cash to purchase. Then we'll collect the vehicle/s when it best suits you.

Turners Auto Traders are a fully owned subsidiary of Turners & Growers Group of Companies.

Ring Dave Carson, 775-849 Auckland or Stewart Clark, 61-807 Christchurch.

We're Turners Auto Traders, and we specialise in used company cars.

Turners Auto Traders Ltd.
We'd like to do business with you.

Letters

Under a bushel?

MOST of your feature writers own up to their contributions. Who is the coy "Special Correspondent" responsible for Canadiana Society? (June 1)

W Roy Hill
Waikanae Beach

OUR writer's anonymity, regrettably, is obliged by his working full-time for another news media organisation which discourages its staff contributing to rival publications. — Editor.

Effects of tour

YOUR editorial opinion against the Springbok tour is undoubtedly sincere but, in your closely reasoned contention calling on the Government to cancel the tour, one point is absent. The dire consequences which you say will befall New Zealand if the tour goes ahead have not been exacted against any major power maintaining sporting contacts with South Africa.

The conclusion must be drawn that we as a small country are being blackmailed and many who would agree with what you say resent this blackmail. Just as those who were pro-tour have switched because they fear the consequences; so many who would not cross the street to watch a football game support the tour because they see a principle at stake.

Neither do I think the exposure of Hart officials who are

Communists is irrelevant. If the Communists are exploiting the tour furore through the Hart agency, the tour's cancellation will be signalled as another significant step in the progress of the revolution — all the more cherished if gained after a long and provocative propaganda campaign as only they know how to orchestrate.

I think the Government, in refusing to take the unilateral decision you wish, is mindful of this final implication.

Ned Hallburton
Orewa.

Tradespan replies

REFERRING to your edition of June 1, 1981: our company is not owned by Mr T Ah Chee and Progressive Enterprises do not lease their retail outlets from us. We are surprised and publication of incorrect facts could be avoided by perusal of the company registers.

S A Tse
Managing Director
Tradespan NZ Ltd

Labour and factor tax

I READ with interest your article on factor tax (NBR, June 1) and would like to put the case for the Labour Party's proposals, because the article made arbitrary statements which could be misconstrued as Labour Party policy, such as basing tax on all capital assets, presumably including the family home etc. This is totally incorrect and would never happen under a Labour Government.

The Labour Party has long recognised that the taxation system is not working, and that the sector that earns almost three-quarters of our export income needs positive encouragement to increase production.

When the taxation system acts as a direct disincentive, all the fertiliser subsidies and livestock incentive schemes that can be dreamed up will never be truly effective until the profit is put back into farming.

In 1978 our election manifesto said that we would investigate the possibility of instituting a factor tax. Since then the Labour Party has done a great deal more work, and has found that there are several proposals that reward additional production, which should be considered.

Thus, on becoming government, we will initiate discussions with farmers and other interested groups on the concept of a production incentive tax/bonus which has the aim of

rewarding increased production. As Shadow Minister for Primary Industries, I have had extensive and diverse discussions with many sectors of the farming community and have found that they agree that the status quo is not effective, and that change is essential — and that they are prepared to work with a Labour government to achieve this change.

No radical changes to agricultural taxation will be instituted by a Labour Government without agreement from farming organisations. Basil Arthur MP
Labour Shadow Minister for Primary Industries.

Downstage finances

THE article on the financial situation of New Zealand theatres in the May 11 issue had two references to

Downstage Theatre which were incorrect.

It was reported that Downstage incurred a deficit of \$80,000 last year. The deficit for the year ended March 31, 1980 was \$8,995. Midway through 1980 the theatre was projecting a possible deficit as high as \$80,000 for the March 31, 1981 year end.

However, action taken by the theatre's management over the last half of the year reduced that projected deficit to \$44,000.

The rumour that the board of directors intended firing all acting staff is a ridiculous notion and simply not true. The board proposed that the theatre could no longer afford to carry a permanent company of actors on yearly contracts unless they could be cast in all plays included in the year's programming.

Actors are now contracted for longer terms only when it is clear that they can be cast on a continual basis. At no time did the Arts

Council indicate to the board of directors that it intended withdrawing its grant. The board of directors was responsible for all steps taken to cure the shortfall of funds and to date these have contributed to a rapid recovery without loss of artistic objective which is the purpose of the theatre's existence.

Richard Cable,
Chairman,
Downstage Theatre.



"We work on the principle of supply and demand here. We supply the goods and demand people pay our price."

A divided Government and the ordinary bloke

by Collo James

TRY to be down the middle of the line... I intend to stay in the middle of the road until someone knocks me down."

So said Ben Couch in an interview with me in 1978. Well, the juggernaut of outraged Ben has knocked him down.

Couch is not a malicious, brutal racist. In manner he is one of the gentlest sorts of people you will ever meet. There is a kindly, well-meaning quality to the man, a genuine humility and simplicity.

In the 1978 interview he was expressing a sense of wonder at having made it to be an MP three years earlier. "I'm so used to being in the cabinet," he said in the interview. "It's very difficult to see me sitting up there at the front seat and yet I feel these people at the back."

"I know how they feel because I've done it all my life."

He claims no special insight, no politician's omniscience. "I always like to appreciate the other guy's point of view," he said in the 1978 interview. "I like to listen. My experience has taught me to listen to the other fellow's point of view."

He went further: "I've never met a man I didn't like. I accept him for what he is."

Notice the word "men". Couch is conservative, traditional — reactionary by today's standards. Much of his phraseology is of the fellowship of "men", of "discipline", of authority. The world of Couch the devout Mormon is the hierarchical, ordered world where a firm paternal hand is the guarantor of a stable society, where a clip on the ear (the birch) is administered not for revenge — as most birchers want — but for the good of the soul of the recipient.

When he said in his fateful *Newsweek* interview that he considered all people the "children of God" he was not indulging in politician's cant. In the 1978 interview he said: "I just consider everybody back in that electorate to be part of me."

I believe that. And I think the Prime Minister correct to underline in *My Way* "unpretentious" Couch's achievement "in the pakeha world, or if you like and more correctly, the world of ordinary New Zealanders." Couch is a shining example of the deferential assimilated achiever — as *My Way* misguidedly says, "the best evidence that I have of racial harmony."

"Certain lightweight journalists," *My Way* adds, "who try to denigrate Ben Couch merely underline their own incompetence."

I have no intention of denigrating Couch. He has unwittingly done that to himself. The "simple honest philosophy" of paternalism that *My Way* admires in Couch has led him down the path of disgrace.

It is clear that he is prepared to accept or at least tolerate the "homeland" policy of the white South African Government and seems to have thought that was somehow different from the apartheid system of which it is an integral and indivisible part.

Thus he could join the Cabinet in opposing apartheid and see no incompatibility in also saying that "at this stage... some form of separate



Honest Ben Couch... has his uses.

development may be unavoidable."

He emphasised "infighting" between black tribes as justifying keeping them apart in homelands, it seems to have escaped him that the homelands are intended to keep black tribes apart from the white Afrikaner tribe.

One of the "liberals" in the Cabinet might have told him. One of the "liberals" in the Cabinet might have insisted he retract all his comments publicly or that Cabinet specifically and vehemently repudiate them.

And the "liberals" might have taken care not to spring chivalrously to his defence as did articulate Jim McLay, yet again clipping an edge off his "liberal" reputation with over-eager standard-carrying for the Government in whatever set-up it finds itself. (Remember his 1979 defence of the "fiscal regulator" — portent of things that followed.)

Sure, there were hot exchanges in private. But the public message to Lagos, Dar-es-Salaam and Pretoria left an aftertaste of condonation.

South Africa, seeking a way back to the bigger world, as South African Rugby Board president Danie Craven put it, will be delighted. Nigeria and Tanzania, already threatening a sports boycott and moves to obtain a humiliating shift of the Commonwealth finance ministers' meeting from Auckland, will redouble their efforts.

There is a "liberal" case to be made for letting Ben Couch the individual speak his mind. In my view that case is unassailable.

But Ben Couch is more than an individual. He is a part-Maori minister with special responsibility for Maori affairs. When he speaks, he speaks for the Government and for all New Zealanders and for his own race.

His words, and those of the 12 other National MPs who support the tour, undermine the Government's professed opposition to the tour. They give grounds for African belief that the Government has not done — because, deeply divided, it cannot — all in its power to get the tour called off, even short of refusing visas.

(Example: Marilyn Waring suggested withdrawal of state corporations' services; a parliamentary resolution could have been sought at the earliest opportunity.)

Couch's words thus have the potential to harm others, by encouraging the boycotters, just as does the Rugby Union's exercise of its freedom.

The Government has chosen a J S Mill sort of argument to refuse to interfere with the generally legitimate freedom of rugby players to play whom they wish (a sensitivity it did not feel when it came to blasting Jim Knox for exercising his freedom to speak on

workers' behalf in Geneva). Even Mill, however, allowed that there is a point at which the harm to others outweighs the value of the freedom. It is for the Government, and for Couch as a member of the Government, to be on vigilant watch for that crossover point and, when it is reached, to curtail the freedom accordingly.

It is clear the Government does not think that point has been reached in either, the Rugby Union's or Couch's case.

It has no intention of allowing academic — and, since Tony Bevan is a senior minister led the 1975 campaign against the official line on the 1975 British referendum on the European Economic Community, outdated — notions of collective Cabinet responsibility to mount Couch.

Indeed, it seemed to have turned the notion on its head and adopted collective responsibility for Couch, just as at other times and in other circumstances it has shouldered the responsibility for incompetence and "unwise" ministers kept in their jobs.

So, while Derek Quigley's refreshing peadillos of independence in other areas attract a rebuke in *My Way* as "out of character for a National minister" and "having forgotten that he is part of a team", Couch's equally refreshing breach of the hermetic seal attracted only the public comment that he was foolish for going on television (not for what he said) and a private "kick in the pants" (Couch's phrase).

The Government's dilemma is understandable. For it knows Couch speaks for the majority who in their heart of hearts want the tour.

Fear of violence is not real opposition to the tour. Even fear of international repercussions is the wrong reason to oppose the tour.

The real reason is moral: that apartheid is a fundamental human disgrace and any condonation of it, however slight, is a disgrace too; that apartheid depends on systematic degradation and brutality; that its motives are evil and vicious men.

But the ordinary New Zealander does not know or care much, or anything, about apartheid — or Africa, for that matter. Couch, speaking for the tour, speaks for them.

He is therefore important to a Government which has elevated the ordinary bloke to electoral sainthood.

"Growth strategy" is no slogan to court that vote. Other means have to be found and (too) honest Ben Couch is (unwittingly?) part of those means.

Behind the war of lofty and noble words about development is there a second, more basic and earthy (and thus dirty?) campaign going on? I will look at that more closely next week.

FORD D SERIES

Deal yourself a D Series and come up trumps every time!

Ford D Series. The trucking trump card of the 80s. Check its credentials. It's pretty obvious that right now the D Series Deal of Profitability is more relevant than ever. D Series delivers it all...

OUTSTANDING ECONOMY
D Series has always been fuel efficient, but never more so than right now. A few nifty refinements are designed to give you between 2.5% and 6.5% extra savings in this vital area.

And with D Series' diversity of engine, transmission, and wheelbase options you can choose a machine that's virtually custom-built for your business.

LOWER OPERATING COSTS
D Series deals out another trump by slashing downtime to the absolute minimum. This means huge reductions in service costs and complications. The "One Man" Tilt Cab, all round accessibility and ease of daily checks through detachable panels reduces profit-eating downtime even further.

So does access to Ford's low-priced parts and nationwide service network — the best in New Zealand.



SUPERIOR DRIVER ENVIRONMENT

To your driver his truck is his second home. He works better in a better environment. In a D, ease of entry, exit and walkthrough coupled with panoramic visibility, easy-to-read anti-glare instruments and durable rich cloth seats, make for a totally superior working environment.

ABSOLUTE DEPENDABILITY

Self-purging fuel injection equipment, improved sealing against dirt ingress and heavy duty cooling systems promise total reliability. Torque rises on petrol, diesel and the Cummins V8 deliver hill flattening performance and urban flexibility for short and long haul operators alike.

WIDE RANGE OF PROFIT-BUILDING MODELS

From the D2418 28 tonne GCW tandem through to the D0707 3 tonner there's a model to make you money.

It's part of the Ford philosophy of providing the transport industry with the most advanced trucking system available today. From lightweight petrols to tenders and turbos, there's nothing that can touch a D. And they look as good as they work.

Your Ford Dealer holds a whole hand of D Series Trump Cards. Come on down for a deal you can't refuse.

Moving business your way!

FORD COMMERCIALS



FC193

The Wellington Chamber of Commerce 125 years of progress 1856-1981

Invites you to attend a
SEMINAR ON

★ TAXATION ★

"TAX DIRECT OR INDIRECT ARE CHANGES NECESSARY?"

on Thursday July 2nd
At the Overseas Terminal, Wellington,
Commencing at 2p.m.

SPEAKERS INCLUDE:
L. N. ROSS, Dr. D. T. BRASH
R. W. STEELE, I. G. DOUGLAS
ALF KIRK

It's your opportunity to bring
yourself right up-to-date on this
vital subject.

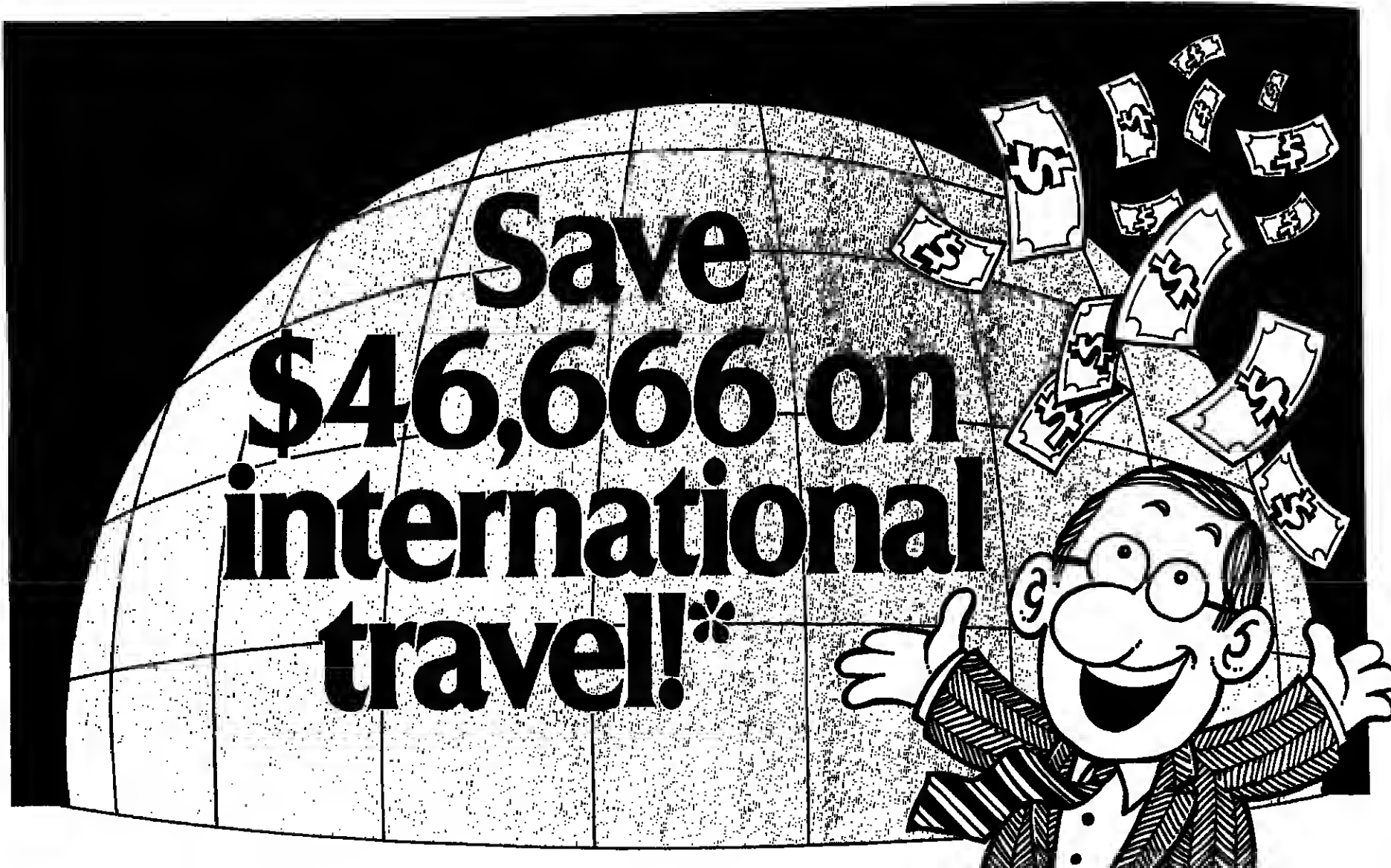
The Director
Wellington Chamber of Commerce
P.O. Box 1890
WELLINGTON

Please reserve
tickets for the Seminar at \$45 each.
Cheques for
enclosed.

Name: _____
Address: _____
City: _____
Postcode: _____

Print: _____
Address: _____

Please return this coupon to confirm your reservation.



Save \$46,666 on international travel!*

The world of trade is coming to the 1981 New Zealand International Trade Fair

Entry is free to qualified trade visitors.

Auckland Showgrounds, 29 July - 5 August

Here's a chance that comes your way in Auckland only once every four years. You can't afford to miss it.

It's your chance to see what the advanced technologies of many leading countries offer you, all in one place, all at one time.

In fact, the total cost of individually visiting them all, Auckland-to-Auckland, would be around \$46,666. And that's just the first big saving you make! You could also make big savings in time and trouble, with no language barriers or other hassles either.

You can't afford to miss the ITF - so don't. Send your registration form in now, the only way to gain admission.

* Total for Economy return ex Auckland to Australia, Austria, Bangladesh, Brazil, Britain, China, France, West Germany, Greece, India, Indonesia, Italy, Japan, Malaysia, Nepal, Pakistan, Philippines, Scandinavia, Singapore, Thailand, Turkey, USA and USSR.



Trade Days

Wednesday	29 July 1981	1.00 p.m. - 7.00 p.m.
Thursday	30 July 1981	1.00 p.m. - 7.00 p.m.
Friday	31 July 1981	1.00 p.m. - 7.00 p.m.
Monday	3 August 1981	1.00 p.m. - 7.00 p.m.
Tuesday	4 August 1981	1.00 p.m. - 9.00 p.m.
Wednesday	5 August 1981	1.00 p.m. - 7.00 p.m.

Public admission is restricted to Saturday 1 August.

APPLY FOR TRADE DAY REGISTRATION NOW!

APPLICATION FOR TRADE DAY REGISTRATION

Please fill in all details and mail to the address below as soon as possible. Your admission badge will be mailed to you promptly. There is no registration fee.

NAME Mr/Ms/Miss/Ms	
TITLE	
COMPANY	
ADDRESS	
CITY	

Products/Services of particular interest

I am a.....
 MANUFACTURER ☐ WHOLESALE ☐ RETAILER ☐
 OTHER (Specify).....
 I REQUIRE ☐
 I DO NOT REQUIRE ☐
 An Air New Zealand travel discount certificate.

1981 New Zealand International Trade Fair
 P.O. Box 28014, Epsom, Auckland 3

NBR 22/81

Economics

'Spend now, borrow to pay' growing trend for Govt

by Bob Edlin

PARLIAMENT has been giving its blessing to the increasing Government practice of borrowing money to finance current expenditure.

Under the Public Finance Act 1977, the Government may transfer money from the Consolidated Account to the Loans Account, subject to a maximum transfer in any year.

It is a facility which the Government has found more handy in an era of high interest rates than before borrowing.

While levels of capital expenditure have been fairly constant over the last three years (see table), the amounts of current expenditure have increased significantly, from \$417.4 million in 1978-79 to \$682.1 million in the year to March 1981.

In his report on the Public Accounts for the year ended March 31, the Controller and Auditor-General shows to what use the loan money has been put.

The most significant item is that, after only two years, the largest single item is the aggregate of transfers from the Loans Account to the Consolidated Account, amounting to \$236.4 million.

This sum is "equivalent to the public debt transfer", and it "has been used in the Consolidated Account in large measure to finance \$1401.3 million of current expenditure".

Other major users of loan money are the electricity division of the Ministry of Energy (\$235.3 million), the Housing Corporation (\$1592.8 million) and the Rural Banking and Finance Corporation (\$1304.3 million).

In his report in 1979, the Controller and Auditor-General drew attention to the use of loan money to meet a shortfall in Consolidated Account revenue "beyond the limits of what was basically capital expenditure previously met from loan money (i.e. to meet current expenditure)".

He said this represented "a significant departure in New Zealand from previous practice in the system of Government finance".

The Audit Office did not consider the facility as such, and acknowledged that its use could be justifiable in time of economic downturn, for example.

But it was a facility "which properly should be availed of sparingly and be subject to responsible constraint", the report cautioned.

Whether the amount of loan money transferred in 1978-79 was excessive was a matter of opinion. "The final judgment can be that of Parliament itself because it is in the hands of Parliament to decide how much money raised by Government borrowing may be spent each year, and in what manner."

A year later, the report of the Controller and Auditor-General repeated the caution: "It is noted that the money from the Loans Account is used in 1979-80 to finance current expenditure of the Consolidated Account."

count with a transfer that year to the Reserve Account.

Treasury replied that the continued transfer of loan money to finance the deficit in the Consolidated Account was justified on the grounds "that substantial capital activities previously recorded in the Works and Trading Account and financed from the loan money are now being funded from the Consolidated Account".

Transfers in excess of the amount needed to finance those capital activities previously met from loan money were necessary to encourage "the fuller use of the country's resources" and to maintain economic activity in general, Treasury explained.

A transfer of \$80 million from the Consolidated Account to the Reserve Account had been made to cover the backdating element of the general adjustment granted to public servants from November 10 1979, Treasury pointed out. "The transfer was fully justified on the grounds of making a specific provision for a known large commitment."

This year, hey presto! The \$80 million have bounced back into calculations in the latest report of the Controller and Auditor-General, who draws attention to them in the table reproduced above.

If that \$80 million had not been used as it was, the loan money used to finance current expenditure in the last three years would have been: 1978-79 - \$417.4 million; 1979-80 - 381.8 million; 1980-81 - \$602.1 million.

The question of the "considerable increase" in the amount of loan money being used to finance current expenditure in 1980-81 was referred to Treasury for comment on May 18. Treasury replied on May 22.

Treasury points out, first, that the transfer of \$956 million from the Loans Account to the Consolidated Account was "well within the amount of \$1250 million authorised by the 1980 Appropriation Acts" (of course, enacted by a Parliament dominated by the Government which is spending the money).

As Treasury acknowledges, the transfer was \$278 million more than the \$678 million transferred the previous year. This time it observes that a larger transfer was needed to cover lower than expected income tax receipts "and generally to maintain a stable level of economic activity".

Treasury also notes the transfer of the \$80 million back from the Reserve Account to the Consolidated Account, which covered the payment of salary arrears in 1980-81 to public servants.

Treasury's viewpoint, of course, is a matter open to debate.

The Auditor-General's report also explains how money was borrowed.

It notes that the Loans Account - which records new borrowings - increased by \$873.6 million (54 per cent) in the March 31 year. The greater proportion of this (63 per cent) was raised overseas, effectively reversing the ratio of internal to overseas borrowings in the previous year.

Out of the total of \$1570.2 million raised overseas, \$923.8 million was drawn under the Lloyds revolving credit facility. Of that amount, only \$405 million, effectively, amounted

to new drawings; the rest represented maturing tranches redrawn.

Loans raised internally (\$917.7 million, or 37 per cent of total borrowings) were \$125.2 million less.

Two-thirds of this came from special issues of government stock to the Reserve Bank for its portfolio operations.

Cash issues for public subscription accounted for most of the rest - a reversal of the pattern in the previous year, when cash issues for public subscription produced 82 per cent of the total raised.

The Government transferred \$956 million to the Consolidated Account; \$740 million was transferred to the Loans Redemption Account to restore it to a credit balance.

In the upshot, the balance of the Loans Account decreased over the year by \$500,000.

Financing the Consolidated Account Deficit

	1980-81 \$(mil)	1979-80 \$(mil)	1978-79 \$(mil)
Transferred to Consolidated Account from Loans Account.....	856.0	678.0	730.0
LESS Capital expenditure.....	352.1 (1)	294.8 (1)	307.4 (1)
	803.8	383.2	422.6
PLUS Transfer from Reserve Account.....	80.0 (2)	(80.0) (2)
	883.8	303.2	422.6
LESS Increase in balance of Consolidated Account.....	1.8	1.4	5.2
Loan money used to finance current expenditure... As percentage of total Consolidated Account receipts.....	882.1	301.8	417.4
	7.8	4.0	8.4

(1) Capital expenditure is all expenditure classified as such in accordance with the definition in the 1980-81 Estimates: "Capital: All payments made in respect of purchases of assets or the construction of assets, including aircraft, building and civil engineering works, equipment and instruments, land and existing buildings, motor vehicles, office equipment, furniture and fittings plant, etc."

(2) The amount of \$80 million was transferred in 1979-80 from the Consolidated Account to the Reserve Account in terms of section 38 (3) of the Public Finance Act, which permits the transfer of such sums as, in the opinion of the Minister of Finance, are in excess of the amount reasonably required for the purposes of the Consolidated Account. Since in that year the Consolidated Account required an injection of \$598.6 million from borrowing to meet its ordinary obligations, the transfer to the Reserve Account was in effect an allocation of loan money to that account. The retransfer to the Reserve Account of the \$80 million in 1980-81 to the Consolidated Account therefore represents an additional allocation of loan money for the purposes of the Consolidated Account.

Comparing the Philips P5002 with other word processors...



Comparing the Philips P5002 with other word processors would save you a lot of trouble.

For a start, which processor to buy would be easy. And if it wasn't the Philips P5002, we'd be very surprised. But we're biased. You're not. Even so, we ask you to make a detailed feature-by-feature comparison of the P5002 and any other word processor. Unfortunately, advertising regulations prevent us from making such a comparison here. But please call your nearest Philips office, or fill in the coupon.

We believe our word processor is so good you'll find up as biased as we are.



We want you to have the best

P

Post this coupon for further information on the P5002 Word Processor or the Philips range to: Philips Electrical Industries DATA SYSTEMS P.O. Box 41021 Mt Albert, Auckland

DATA SYSTEMS P.O. Box 2097 Wellington

Name.....

Address.....

Telephone..... or simply telephone Philips Data System Auckland 894 180 or Wellington 898 898 arrange for a consultation.

Finance

The business week

Anstrut Paper Manufacturers Ltd has received acceptance for 70.4 per cent of Containers Ltd.

Collingwood Holdings Ltd: net profit for the year ended March 31 was \$289,190 (last year \$177,152). A final dividend of 2.5 cents will be paid on August 5.

Ebos Dental and Surgical Supplies Ltd: net profit for the 15 months ended March 31 was \$377,869 (last year \$250,220). A final dividend of 4 cents will be paid on August 5.

Emall Ltd: net profit for the 15 months ended March 31 was \$21,906,000. A final dividend of 2.75 cents will be paid on August 7.

Endavour Corporation Ltd: net profit for the year ended March 31 was \$2,781,774 (last year \$2,262,119). A final dividend of 5 cents will be paid on August 7.

on September 7 and a 1-for-5 bonus issue made.

Greggs Ltd has received acceptance from holders of 76 per cent of Wilson Distillers Ltd and has extended its offer to June 26, pending final Government approval.

Holeproof Industries Ltd is proposing a 1-for-1 bonus issue, participating in full in the final dividend, plus a special dividend of 50 cents a share.

ICI Australia Ltd: unaudited net profit for six months to March 31 was \$A18,991,000 (last year \$A29,512,000). An interim dividend of 6 cents will be paid on September 1.

Lanes Industries Ltd: net profit for the year ended March 31 was \$207,620 (last year \$56,654). A final dividend of 15 per cent will be paid.

Manawatu Radio Company Ltd's issue of 443,000 \$1 shares at \$1.10 closed fully subscribed.

Marac Merchant Banking Group: net profit for the year ended March 31 was

\$2,092,000 (last year \$1,118,000).

NZ Forest Products has acquired with shares the 51 per cent of Office Typewriter Co Ltd it did not already own.

Repeo Ltd has bought Jordine Engineering Corporation Ltd's 50 per cent stake in Repeo Auto Parts (Hong Kong) Ltd.

W Sutherland & Co Ltd: net profit for the year ended March 31 was \$99,693 (last year \$271,955). A final dividend of 5 cents will be paid on July 28.

Vacation Hotels Ltd: unaudited net profit for six months to April 30 was \$1,263,191 (last year \$691,210).

Wilkins and Devies Construction Co Ltd: net profit for the year ended March 31 was \$845,194 (last year \$814,343). A final dividend of 13 cents will be paid on August 21 and a 1-for-10 bonus issue made.

Winstone Ltd: net profit for the year ended March 31 was \$3,633,000 (last year \$3,751,000). A final dividend of 4.5 cents will be paid on August 21 and a 1-for-10 bonus issue made.

Data Access service still alive

by Stephen Bell

INFORMATION broker Answer Access may have been founded, but the Data Access service is still very much alive, in the hands of the company's agents.

BK and L Foulds, of Small Business Software Ltd, have confirmed to NBR that they will continue to operate the Data Access service in the Canterbury area, providing research and information ser-

vices, including overseas information retrieval through the Oasis link.

BK Foulds was concerned that NBR's earlier report (June 15), referring to the company in receivership as Data Access, might have cast doubt on the continued health of his own Data Access service.

Though the failed company was colloquially known by both names, the official name of the firm was Answer Access. Data Access is the name of the service

offered by Answer Access and its agents.

"The failure of Answer Access Ltd in no way restricts our ability to provide this service, which we are now seeking to expand," said Foulds. In its moves to grow, it is collaborating with another Data Access agent in Invercargill.

The NBR article commented on the unusual approach taken by Answer Access to handling queries. These points "do not apply to us at all", Foulds maintains.

"We undertake all searching in close consultation with our clients and constantly review progress with them. We also agree with clients what form of report or output they require."

The Christchurch organisation contracted with Answer Access for the rights to use the Data Access name and facilities, in return for a lump-sum payment and payment of a percentage of customers' search fees to Answer Access.

The facilities used have for some time been totally independent from the failed company.

"We are a creditor (of Answer Access) to a certain extent," said Foulds, but he was more concerned at possible damage to his company's reputation than any financial losses, he indicated.

There is at least one other Data Access agent in Palmerston North, but this company could not be contacted as NBR went to press.

Final assessment of Answer Access' indebtedness had still not been completed, the receiver said last week.

He confirmed that the debenture holders who called him in, Geoffrey Aldridge and Antonius Verhaeren, were no longer directors of the company, having resigned in May.

Facom success

JAPANESE computer manufacturer Facom is about to gain what it has long been trying for — a Wellington customer for its IBM look-alike computers. It seems almost certain that the machine will be going into a Government department.

On the strength of the upcoming order, Facom is establishing its head office in central Wellington. To date, the company has been entirely Auckland-based.

A spokesman confirmed that a Wellington order was near conclusion, but declined to name the client. A scout around promising government departments also turned up no comment.

The early — and so far the only — success for Facom machines was the installation last year at Air New Zealand.

Stock Exchange weekly review

FOR WEEK FRIDAY JUNE 12 TO THURSDAY JUNE 18

Last sale	Week's high	Week's low	Turnover	Last sale	Week's high	Week's low	Turnover	Last sale	Week's high	Week's low	Turnover
125	125	125	600	85	85	85	0	70	70	70	300
125	125	125	600	285	285	285	18800	75	75	75	9800
125	125	125	600	285	285	285	18800	143	143	143	15800
125	125	125	600	620	620	620	1300	165	165	165	300
125	125	125	600	400	400	400	9500	150	150	150	2900
125	125	125	600	185	185	185	7200	170	170	170	1000
125	125	125	600	235	235	235	0	152	152	152	8700
125	125	125	600	375	375	375	2300	135	135	135	800
125	125	125	600	73	73	73	0	310	310	310	300
125	125	125	600	180	180	180	1500	195	195	195	10200
125	125	125	600	42	42	42	0	37	37	37	200
125	125	125	600	155	155	155	0	80	80	80	6200
125	125	125	600	232	232	232	16000	120	120	120	49400
125	125	125	600	110	110	110	0	87	87	87	3700
125	125	125	600	225	225	225	22400	103	103	103	1200
125	125	125	600	225	225	225	800	135	135	135	1000
125	125	125	600	180	180	180	1500	115	115	115	500
125	125	125	600	255	255	255	3500	115	115	115	200
125	125	125	600	85	85	85	800	132	132	132	80400
125	125	125	600	57	57	57	100	115	115	115	0
125	125	125	600	105	105	105	0	107	107	107	4600
125	125	125	600	104	104	104	13100	72	72	72	36800
125	125	125	600	208	208	208	200	82	82	82	0
125	125	125	600	285	285	285	14800	115	115	115	0
125	125	125	600	75	75	75	4100	110	110	110	300
125	125	125	600	53	53	53	1000	290	290	290	500
125	125	125	600	130	130	130	500	26	26	26	11000
125	125	125	600	125	125	125	0	70	70	70	200
125	125	125	600	230	230	230	1400	66	66	66	100
125	125	125	600	180	180	180	32500	204	204	204	29100
125	125	125	600	88	88	88	86	202	202	202	19500
125	125	125	600	120	120	120	700	450	450	450	0
125	125	125	600	80	80	80	9100	188	188	188	08000
125	125	125	600	235	235	235	7400	113	113	113	7500
125	125	125	600	227	227	227	0	430	430	430	700
125	125	125	600	232	232	232	3700	280	280	280	250
125	125	125	600	185	185	185	3400	300	300	300	3400
125	125	125	600	158	158	158	109700	58	58	58	500
125	125	125	600	158	158	158	8100	155	155	155	200
125	125	125	600	122	122	122	118	143	143	143	0
125	125	125	600	42	42	42	47200	445	445	445	8400
125	125	125	600	270	270	270	300	155	155	155	104
125	125	125	600	200	200	200	1000	118	118	118	6500
125	125	125	600	300	300	300	4700	170	170	170	170
125	125	125	600	285	285	285	200	75	75	75	241600
125	125	125	600	110	110	110	1800	57	57	57	28200
125	125	125	600	210	210	210	700	22	22	22	0
125	125	125	600	450	450	450	5200	245	245	245	500
125	125	125	600	110	110	110	3800	115	115	115	300
125	125	125	600	240	240	240	29700	112	112	112	100
125	125	125	600	195	195	195	800	115	115	115	200
125	125	125	600	170	170	170	400	442	442	442	700
125	125	125	600	145	145	145	21600	170	170	170	20000
125	125	125	600	70	70	70	6100	170	170	170	20000
125	125	125	600	50	50	50	100	0	0	0	0
125	125	125	600	53	53	53	100	0	0	0	0
125	125	125	600	160	160	160	13780	0	0	0	0
125	125	125	600	205	205	205	300	0	0	0	0
125	125	125	600	170	170	170	27800	0	0	0	0
125	125	125	600	200	200	200	18300	0	0	0	0
125	125	125	600	75	75	75	18300	0	0	0	0
125	125	125	600	80	80	80	80000	0	0	0	0
125	125	125	600	108	108	108	89500	0	0	0	0
125	125	125	600	102	102	102	28200	0	0	0	0
125	125	125	600	185	185	185	18300	0	0	0	0
125	125	125	600	750	750	750	0	0	0	0	0
125	125	125	600	315	315	315	23000	0	0	0	0
125	125	125	600	150	150	150	0	0	0	0	0
125	125	125	600	30	30	30	70300	0	0	0	0
125	125	125	600	85	85	85	32800	0	0	0	0
125	125	125	600	160	160	160	18200	0	0	0	0
125	125	125	600	142	142	142	1200	0	0	0	0
125	125	125	600	222	222	222	41400	0	0	0	0
125	125	125	600	218	218	218	2700	0	0	0	0
125	125	125	600	180	180	180	2700	0	0	0	0
125	125	125	600	170	170	170	2200	0	0	0	0
125	125	125	600	430	430	430	72500	0	0	0	0
125	125	125	600	445	445	445	800	0	0	0	0
125	125	125	600	305	305	305	7800	0	0	0	0
125	125	125	600	310	310	310	1800	0	0	0	0
125	125	125	600	45	45	45	85	0	0	0	0
125	125	125	600	85	85	85	800	0	0	0	0
125	125	125	600	210	210	210	20800	0	0	0	0
125	125	125	600	210	210	210	20800	0	0	0	0
125	125	125	600	245	245	245	7800	0	0	0	0
125	125	125	600	700	700	700	1000	0	0	0	0
125	125	125	600	155	155	155	11300	0	0	0	0
125	125	125	600	108	108	108	30500	0	0	0	0
125	125	125	600	235	235	235	27100	0	0	0	0
125	125	125	600	1000	1000	1000	0	0	0	0	0
125	125	125	600	107	107	107	15800	0	0	0	0
125	125	125	600	68	68	68	1800	0	0	0	0
125	125	125	600	80	80	80	78	0	0	0	0



Get the Corolla Spirit. Drive it!

Ask for the keys—your Toyota Dealer wants you to experience the best Corolla ever.

You may love the look of Corolla—you'll be impressed with the roominess. You already acknowledge Corolla economy and reliability. But, you will never appreciate the true untamed Toyota spirit until you put yourself in the driver's seat.

The schematic diagram shows how Toyota Corolla uses air pressure for greater on-the-road stability. Note how the air flow moves cleanly over the face of the vehicle—a vital design measure to improve economy and minimise wind noise. Drive Corolla and you'll soon notice the difference of this classic 'wedge' shape.



Toyota technology—the new car feel that never disappears.

Corolla has the inbred strength and pure clean design that's uniquely Toyota. So, even after 30, 40, 60 thousand kilometres... the lightness... the solid well-made feel stays. Prove it. Ask your Toyota dealer for a drive in a second hand Corolla. Then compare the feel with any other family sized car you want. None can compare.

TOYOTA Ahead in the 80's.

Corolla zip—absolute proof that economy and reliability can be exciting.

Corolla proves you don't have to trade in performance to get economy. Corolla's remarkable new generation 4K engine purrs with power. And the slickest gear shift you'll ever find makes Corolla driving an experience you won't stop talking about.

Current Prices.

Corolla DX 1.3 Sedan Manual	\$9,895
Automatic	\$10,395
Corolla DX 1.3 Station wagon	\$10,695
Corolla DX 1.3 Liftback 5 speed	\$11,195
Corolla SE 1.6 Liftback 5 speed	\$13,490

See your Toyota dealer now... have a test drive... Get the Corolla spirit.

Business

Analysing annual accounts: BNZ Finance

by Klaus Sorensen
A DECISION to take advantage of the Bank of New Zealand's nationwide branch network, and a move into hire purchase, has paid handsome (and overdue) dividends for BNZ Finance Ltd shareholders.

It used to be an anomaly that the country's largest bank owned one of the smallest finance houses.

Two years ago the company changed direction and decided to tap into the unexploited Bank of New Zealand branches. The result is dramatically illustrated in BNZ Finance's 1981 annual report.

The six-year review shows a slow growth in gross receivables from 1976 to 1979—\$16.7 million to \$21.1 million—but a sharp upturn in 1980 to \$32.2 million and again for 1981 to \$50.8 million.

Gross income has increased proportionately slightly faster, from an unbelievably low \$2.5 million in 1976, to \$10.5 million in 1979, \$14.9 million in 1980, and finally \$20.1 million in the latest year.

As profits have risen from \$32,000 in 1976 to \$781,000 in 1979 and \$1,633,000 for the March 31 1981 year.

Dividends remained unchanged from 1976 to 1979, when the rate was finally increased from 12.5 per cent to 14.5 per cent. The latest year saw a boost in the dividend to 20 per cent.

Chairman George Chapman says in his review total assets rose from \$112.2 million to \$185 million and "probably benefited from the expanding business base and improved operating efficiencies."

He says customers made increasing use of the company's hire purchase plan which has been available since July 1979 through the BNZ branches, and "the success of the plan has identified other areas where consideration is being given to further development of our business relationship with the Bank of New Zealand."

His review provides a breakdown of the 1981 net receivables of \$50.9 million, but unfortunately does not provide comparative figures for 1980 to illustrate the growth in various areas.

The largest portion of receivables (\$21.3 million) went to transport and motor vehicles, \$14.6 million went to manufacturing and heavy industry, \$6.4 million to farming and forestry, and \$7.7 million to service industries. "Other" businesses received \$900,000.

The company's fund-raising naturally enough showed a similar increase, with debenture stock on issue increased from \$44.7 million to \$58.6 million.

In the commercial bills market BNZ Finance more than doubled the level of bills discounted for customers from \$19.5 million to \$40.9 million—a 109 per cent increase. By comparison, the total bills outstanding in the New Zealand commercial bills market increased 35 per cent from \$400 million to \$540 million.

Chapman notes that interest rate swings were marked in the last financial year, with the one-year rate starting the year at 14.5 per cent, falling to 12.75

per cent by October 1980, and then rising again to 14.5 per cent by March 1981.

And Chapman believes uncertain economic conditions and inflation will ensure "interest rates will continue to fluctuate during the 1982 financial year—an observation which, although undoubtedly right, does not exactly fall in the category of daring predictions."

The consolidated revenue statement shows gross income rose 35 per cent from \$14.9 million to \$20.1 million.

The notes show this figure includes income from Government and local body stock of \$1.9 million, income from company shares and debentures of \$265,000 (\$6000 last year), and income from "other" securities of \$8.4 million (\$7.9 million).

The company managed to keep the rate of increase in expenses to a lower 31 per cent, despite a 53 per cent jump in the second largest expense—interest on debentures—which increased from \$4.7 million to \$7.2 million.

The largest expense was interest on deposits and "other interest", up by \$1 million from \$6.3 million to \$7.3 million.

Total expenses were \$16.9 million (\$12.9 million), leaving a net profit before tax up 66 per cent, from \$1.9 million to \$3.1 million.

However, tax was up 109 per cent from \$745,000 to \$1.5 million leaving the net profit after tax (and a \$6000 capital profit) of \$1,633,000—a 40 per cent advance.

The balance sheet shows an increase in total borrowings from \$100 million to \$117.9

million due mainly to a rise in secured debenture borrowings from \$44.6 million to \$58.6 million.

The notes show that of this latter amount \$30.2 million (a 21 per cent rise on 1980) is due within one year and \$23.9 million is due within one to two years (a 57 per cent rise). Debentures due over two years are up only slightly at \$4.5 million.

Total securities are down slightly from \$71.6 million to \$70.5 million, and included in this is a fall in trading bank negotiable securities from \$41.7 million to \$27 million, a rise in government stocks from \$15.5 million to \$18.2 million and a customers' acceptance liability of \$4.7 million (1980 nil).

The investment in company shares and debentures increased from \$250,000 to \$2.9

million (in line with the increase in income from this source in the revenue statement) and commercial bills were up from \$14 million to \$15.6 million.

Receivables increased from \$37.3 million to \$55.8 million (after a \$852,000 provision for financing losses) with net receivables making up \$50.8 million (\$32.2 million) of that total.

The notes show that total receivables were \$68.1 million, up from \$41 million, but included in total receivables is income written into contracts but not yet earned of \$17.2 million, compared with \$8.8 million by balance date in 1980, leaving net receivables of \$50.8 million.

Current assets have increased from \$1.3 million to \$6.1 million due mainly to an increase in amounts on deposit

from \$600,000 to \$5 million.

The consolidated statement of changes in the financial position shows funds of \$34.9 million were provided from a number of sources, the main one sales of commercial bills and trading bank negotiable securities of \$14.7 million (nil in 1980).

Funds were also derived from an increase in secured debenture borrowings, up from \$8.5 million to \$13.9 million.

These funds were used among other things for an increase in receivables of \$18.7 million (\$10.9 million in 1980), the purchase of company shares and debentures of \$2.7 million (nil) and an increase in the amounts on deposit of \$4.4 million (nil).

But one of the most surprising disclosures in the report is the number of staff the company employs—just 60 people.

Overseas trade

Kuwaiti traders hang up NZ shingle

by Lindsey Dawson

A newly-established branch office of the Kuwaiti trading firm Al-Masoud and Partner is starting its business in New Zealand with a fleet of \$250,000 to get the trading ball rolling.

The money is coming from Kuwait, and the business will be managed here by Dennis Lucas, whose brother and fellow-partner Khalid is chief executive of the family company, which has interests in banking, farming, insurance, commodity trading, construction and transport.

It could be the start of big business between New Zealand and Kuwait, an oil-drenched kingdom whose 750,000 nationals share a net income of \$65 billion.

Why should they bother with New Zealand? "It's a new challenge for them, a new area of interest," says the New Zealand "connection", David Lucas.

Entrepreneur Lucas, who imported Cook's wines and has moved successfully into the Middle East with his wife, Yanka's fashion business, has been trading in the Arab lands for some time.

Lucas is Iraq's major port, Kuwaiti banks are handling business for Iraq and other Gulf countries. "We claim that they have accepted international trade," he says, "and we have been trading."

Executive marketing director for Al-Masoud, and is already seeking to fill contracts not only in this country but also from Australia, Brazil and Argentina. He has his first deal sewn up, he says—100,000 cartons of canned corned beef (\$2.4 million worth) for the Iraqi army. He has filled the order in Brazil, New Zealand prices were too high.

Some of the Kuwaiti orders Lucas is looking to fill could well be too big for New Zealand sources—100,000 tonnes of apples for instance, or 55,000 tonnes of bananas, 40,000 tonnes of potatoes and 15,000 tonnes of onions.

But the potential is there, insists Lucas, although it may take some change in attitude by New Zealand business interests. "You have to understand the way they do business, and you have to be very much on your toes," he told NZBR.

"I have been in the Middle East trying to get answers from New Zealand and often they'll take days to telegraph replies, or say something like, 'we'll let you know next month!'"

At the same time, the Australians or the Canadians will be saying, "there's what we can do for you and we're on our way to see you." "We must adopt this sort of attitude if we are to succeed," he says.

The pyramid-type of corporate structure of New Zealand is unknown to the Middle East, says Lucas. "Top management there don't sit in penthouse suites, hotels

from the marketplace. Their offices are just as likely to be an unassuming little place in the middle of the south."

Big business there was very much a matter of having contacts and influence, said Lucas. There was a sort of Arab "old boy network" which was very hard to penetrate without having the right connections.

He has already had many inquiries from New Zealand firms wanting to do business with Al-Masoud. He emphasises that Al-Masoud is not interested in being a passive investor in New Zealand. It wants to take an active part in growing enterprises.

The requirement from potential New Zealand associates is to show that they have a good product and that they have the will and the commitment to get stuck into the Middle East market, said Lucas.

"If New Zealand firms are prepared to put money up from we will do likewise," he said, adding that Al-Masoud would not take any profits for the first 18 months.

He envisages that Al-Masoud will take part in a variety of enterprises, ranging from simple agency through joint ventures to investment. "We are interested in New Zealand prices in New Zealand," he says.

While New Zealand is a very open country, it has become too open, he says, and the wealth produced from oil

How'd you like a free weekend in Christchurch?

Are you a secretary whose boss makes regular trips to Christchurch? Just book him into either the Avon Motor Lodge or the Avon Park Hotel for a total of 6 nights over the period May, June, July. In return we'll give you a free weekend's accommodation at either of our hotels at any time you choose (subject to availability). Your boss will like staying with us. The food's great, the accommodation first-class, and prices reasonable. Bosses please note: if you haven't a secretary and do your own bookings, the offer applies to you too!

Reservations through Flag Inns, Freeline or Telex direct





TAKE A SEATS

"I was attracted to the SEATS programme by the advantages of employing an apprentice already possessing some theory and basic practical engineering skills. Now, the experience of employing my first SEATS trainee has decided me on hiring another in August."

In Erin Maloney, I have a lad who understands his job and has skills that enable him to tackle a wide range of tasks. He's one of the most productive apprentices my company has employed in a long time and I believe that's thanks to the SEATS programme."

W. Ashmore, Managing Director,
Industrial & Marine Engineering Limited,
Mt Maunganui

Here's how the employer benefits

The Special Engineering Apprentice Training Scheme offers many attractive benefits to employers, not the least of which must be the considerable practical experience trainees will possess after the 20 weeks of pre-apprenticeship training. The course also offers employers a high standard of recruitment.

All trainees successfully completing the course will be recommended for First Assessment. As well as this, technical institutes will provide each trainee with an end-of-course report. This pre-employment screening and assessment will vastly reduce the amount of time and money normally spent on staff recruitment. Employers may also be

eligible for a \$40 a week wage subsidy, paid for the first 55 weeks of this apprenticeship. This subsidy applies if SEATS apprentices are hired over and above normal apprentice recruitment. If you require further details or an application form for the SEATS programme please fill in and post the coupon below.

SPECIAL ENGINEERING APPRENTICE TRAINING SCHEME

Commissioner of Apprenticeship
Department of Labour
Private Bag, Wellington



DEPARTMENT OF LABOUR

Name
Firm's Name
Address

New words for old

by Grev Wiggs

ARGON represents the jargon into which the expert can rapidly disappear if he is not challenged. Or, the high-frequency noises which specialists make to each other so that common people cannot understand.

It is especially the jargon sounds made by members of an exclusive order who seek to impress, confuse or humiliate less able beings. They profess, trade or brag in their jargon — a jargon to the inner circle or, at best, a convenient communication shorthand.

This department has the good fortune to be on the mailing list (for mail ex New York, please) of the mighty BBDO creative advertising agency. As we recently received, our great gratification, a copy of their new book, *BBDO Media Dictionary*.

This glossary of media terms is not only in conventional text and television, but in the realm of cable and satellite TV.

In future, rather than the old-world TV terms such as "OTO" or "orbit" — or even "pods" or "satellites", we might drop the old "simulcast" when TV comes, or an occasional "two-link" or "multi-point distribution system" and we may have to find a way to include HI-OVIS (which we at mind telling our faithful readers is Highly Interactive Visual Information System) into our conversation.

At the next time we interact as agency media men (a book which practically invents jargon) we have the following question ready, "It's your churn?"

It's promise to be chaotic.

Thanks, BBDO.

Bread on the waters

by Grev Wiggs

THE Flood is a 24-page account of this year's Thames Valley floods, published by the Thames Valley Publishers, producers of the *Thames Star* and the *Thames Herald*.

This souvenir publication contains some remarkable photography with a fully detailed account of the disaster. It was planned to run 5000 copies with a cover price of 75 pence, of which 25 pence was a donation to the disaster relief fund. Because of the demand for the publication, the print run was doubled and all copies were ordered or sold within 24 hours.

As a result the sum available to the relief fund rose to £2000, earning a government subsidy which increased the total to \$3000.

In these cynical times it's refreshing to see good journalism combined with good citizenship.

International ad awards

by Lindsey Dawson

AUCKLAND ad agency, Christensen and Associates Ltd has won two international awards with a TV advertisement for National car rental.

The ad won a Clio — the advertising world's equivalent of an Oscar — in the best

automotive product category. The contest is judged in New York.

Matsushita Electric Industries, the makers of National and many other brands, gives yearly gold awards to the agencies which it believes have best promoted its products in the previous year. Brown, Christensen was one of the winners, in competition with some of the world's biggest agencies, including Dentsu of Japan.

The ad was called "Traffic Officer" and featured an Auckland City Council traffic man "conducting" Queen Street traffic to the strains of Beethoven's Fifth — played, of course, on a National set. Accounts director Diana Davis said the ACC offered full co-operation in making the ad, with the traffic officer ("he was brilliant — had natural talent") taking direction from producer Chris Christensen while at the same time keeping the traffic flowing smoothly. Editing to make his movements fit the music completed the job.

This is the third year running that the agency has won a Japanese gold award, and its Clio followed two awards in last year's contest.

Research guide

by Grev Wiggs

ALTHOUGH the *Market Research Society's Yearbook* is called just that, it might well bear a title such as "Buyer's Guide in Market Research".

In it are listed the dozen or so houses which supply New Zealand's research needs. Each research unit has set out the types of research it is prepared to undertake, its special field of activity, its facilities, number of staff and names of principals.

In total these services cover the complete spectrum of market research. Some firms are quite highly specialised and their focus of interest and activity is clearly indicated.

They range in size from companies with two principals to those with a staff of 50, though size may only indicate the type of work undertaken. But the information provided will help research buyers to narrow their fields of choice.

The yearbook contains a list of all members of the society, and users of research will find, for instance, that the code of ethics of the society sets out precisely what the buyer can expect.

Marketers, whether regular or casual buyers of research, should find a place on their reference shelf for this useful volume.

Lintas moves HQ

by Lindsey Dawson

SSC & B Lintas, celebrating the opening of its new building by giving a \$1000 cheque to Telethon, has moved from "agency row" in Parnell to Grey's Avenue.

The three-story building has a long and chequered history. Fifty years ago it was a church-run haven for women, and in more recent times was a Lifeline counselling centre and a Halfway house run by Father Felix Donnelly.

When Chase Holdings started the \$150,000 refurbishing job late last year the building was almost derelict. Its shuttered and brass-knobbed Georgian facade takes Grey's Avenue a long way from

the days when it was filled with seedy shacks and opium dens.

A Chase Holdings spokesman said his firm was "thrilled" with the way the building had turned out and had its eye on more old places which could be up-graded into up-market commercial and retail accommodation.

Computer magazine

by Lindsey Dawson

THE first issue of a new glossy computer magazine, *Interface*, comes out in July as the official journal of the New Zealand Computer Society.

Former *Auckland Star* Computer Talk reporter Chris Galloway is editing the new magazine, which is being produced by Associated Group Media Ltd.

He said that *Interface* would not be just "a bulletin for hobs but we won't be short-changing them either". It would aim to produce a good level of general information for those in the marketplace as well as adequate technical copy for people in the computer business, he said.

There will be 10 issues of *Interface* a year, with a monthly print run of at least 6000 copies. It will retail at \$1.50 a copy, or \$13.50 for a yearly subscription. Galloway said the magazine would also be a vehicle for situations vacant in the computer business.

Instruction for instructors

by Grev Wiggs

THE marketing process does not stop at the point when the product is sold and passes into the hands of the consumer. Nor only do guarantees still bind the marketer to the consumer but the degree of satisfaction that the customer experiences from using the product dictates the shape of future sales.

So, at the moment when the customer's expectations are at their highest, at the point when interest and excitement have peaked as they are about to use the product for the first time, why do so many New Zealand manufacturers bomb out with ambiguous and incomprehensible instructions?

Instruction manuals accompanying imported products are

usually quite straightforward. The Japanese, despite the problems of a foreign language, are usually very clear indeed.

Because New Zealand is a nation of do-it-yourselfers, our theory is that the product designer or the sales manager writes the instruction manual in the language he understands and the layman is expected to follow.

If you have ever attempted to put together a kitchen glasshouse or set an electric oven for automatic cooking for the first time, you will understand what we mean.

Now comes support from another direction. In a recent *Listener*, Ian Gordon devotes his language page to this very problem.

"If an instruction book for users does not communicate, precisely and unambiguously, with the user, what is its use?" he writes.

"It is not the first time I have been driven up the wall by instruction books. They seem sometimes to have been written by the factory manager, who knows absolutely everything about the mechanism except how to explain its workings to those who know nothing about it."

Gordon wants an English expert to write these books from the point of view of the user.

We would go further and ask for an advertising copywriter, professionally trained in explaining the complex in simple terms, to do the job. It might serve to remind manufacturers that instruction manuals, too, are part of the marketing mix.

Cassell pulls out of NZ

by Gordon McLauchlan

CASSELL, once one of the world's most famous imprints on general and trade books, has closed its Auckland office because the troubled multinational has pulled out of general and trade publishing worldwide. The company will continue to have an office in Australia, concentrating there mostly on an impressive academic list.

The agencies Cassell held in New Zealand have been taken over by Associated Book Publishers Ltd, which is also at present negotiating over individual titles from the Cassell New Zealand list.

UDC GROUP HOLDINGS LIMITED

for 3 and 4 year
Registered
Secured Debenture Stock

Take advantage of increased interest rates. You may select from the following terms:	
5 YEARS	15.50%
4 YEARS	15.75%
3 YEARS	16.75%
2 YEARS	16.50%
1 YEAR	14.50%
6 MONTHS	13.50%
AT CALL AFTER 3 MONTHS	13.00%

At call
Interest is payable or compounded quarterly.
The Company will consider early repayment of Debenture Stock in the circumstances described in the Prospectus.
Applications for Debenture Stock will proceed only on the application form with the Prospectus, which may be obtained from:
* ASK Banking Group (New Zealand) Limited
* Any UDC Office or District Agent
* Members of affiliated NZ Stock Exchanges
* Or by mailing this coupon

15³/₄%

PER ANNUM

PLEASE SEND ME A COPY OF YOUR PROSPECTUS

NAME _____

ADDRESS _____

UDC GROUP HOLDINGS LIMITED
UDC GROUP HOLDINGS LIMITED PO BOX 1615 WELLINGTON

Drivers hit front with claim, restructuring, merger

by Ann Taylor

THE drivers are wheeling a couple of "firms" down this year's industrial track. The Conciliation Council, which will hear their claims for 17.8 per cent pay increases on June 30, will also consider the report of a committee set up to review the general drivers award.

Dunedin industrial conciliator Welter Grills has led the employer-union review committee and spent the past four months looking at job classification, the structure of the award, its slot in the wage round and ways of improving labour relations. Training, the impact of new technology and provisions of legislation were also in the committee's brief.

Set up in 1979, the committee was instructed after last year's settlement at 13.5 per cent to report to this year's

council. It has the power to "make unanimous findings by way of recommendation" — but unanimity has apparently been difficult to achieve.

The 17.8 per cent claim is outside any findings of the review and is not a trend-setter for the award round, according to union advocates who are more concerned to get their own industry relativities sorted out than to set the pace for other unions.

Employer advocate Andrew Patterson said the employer's ability to negotiate would be dependent on the review's findings, which won't be known until the council sits. "We can't negotiate with a nothing," he said of an award which both sides acknowledge is not going to be settled quickly.

Deity workers have postponed their hearing until after the drivers. The Fern Workers

Association settled at 6 per cent after asking for 28 per cent and being offered 5 by the employers. But the farm workers are not affiliated to the FOL and cannot be regarded as a trend-setter.

All this leaves the drivers, with the expectation of protracted talks, as an unwilling leader in the wage round.

Away from the treadmill of annual awards the drivers are moving to another industrial first — a conglomerate of unions that do not cover a tightly defined industry.

The 11 unions affiliated to the Drivers Federation (membership 20,000), two of the storemen and packers unions (membership 15,000) and the six shop employees unions (30,000), are now drafting rules to govern an organisation which will formally link the three groups.

The proposed Distribution Workers Federation will mean "gains in administration. In the long run there are some negotiating advantages and, if we can hold it together, it will allow us to employ better research, training and advocacy than any one union could do on its own," said union advocate Rob Campbell, who has been working to set the organisation up.

The three unions acting together could "tie up the whole country" one employer told NBR. He expressed some concern at the "power, punch and muscle" the conglomerate could command.

If a company moves goods through the freight forwarding system its goods are handled by all three unions.

But Campbell said the three have been loosely associated and worked from a combined

unions office for a while. "Saturday trading forced the shop employees into action and they were looking to combine resources. The storemen didn't have a national body and the drivers were coming under pressure for better research and advocacy." The three groups were, therefore, looking to broaden their resources at the least cost, he said.

Each of the unions will retain independent policy and regional autonomy from the federation, which will operate in three divisions — retail, road and transport, stores and warehouses.

The individual unions will be affiliated to a division of the federation which will have a national conference and structure — an elected general secretary and a management committee with equal representation from each of the three divisions.

Campbell said the organisation will try to provide a large union type of service but retain the regional autonomy of the unions. He said they were "close to a set of rules that we want" but these rules still have to be discussed by the union executives and taken back to the rank and file in unions which have high turnover — 1000 new drivers joined last year, for instance.

The conglomerate was also discussed by the three unions' conferences last year but Campbell said "it has taken time because it's complex and we're not in any great hurry".

There are no precedents for an association of unions covering more than one tightly defined industry and there have been complications in tying together the different histories, policy, finance and administration of the three.

THE forecast demand for electricity, including the new system, will stretch the supply system to, indeed beyond, its limits. Consequently it will not be possible for it to accept any significant additional demands not included in the forecasts, at least until well into the 1990s.

An alternative means, therefore, of valuing the supply of electricity to an aluminium smelter is to consider what needs might be able to be met from using this electricity in some other way.

It is not possible for me to examine and evaluate all the possible uses that may exist, or even to exist, from my armchair. Indeed it would be futile to attempt such an exercise.

But there is at least one option that will give better value for the electricity than its cost, apart from the question of

whether there really is a surplus or not.

The option is that of replacing diesel oil where it is being used in a stationary application. Very little of this is in motors, most of it being burnt in boilers for heating purposes.

There are still innumerable buildings in New Zealand with oil-fired heating systems. There are also a considerable number of industries which use small oil-fired boilers that are not large enough to make the use of heavy fuel oil economic. They use exactly the same diesel fuel as trucks and rail locomotives.

Table 4.1 of the Energy Plan gives the current price of diesel as \$8.9 a gigajoule to this type of consumer. This fuel could be replaced directly by electric heat.

I know I am advocating something at which most con-

servationists would throw up their hands in horror, but I suggest that it is an improvement over using oil, to use electricity directly for industrial and space heating in a situation where oil and electricity are the only practicable options.

A typical substitution situation would be the replacement of an oil-fired boiler in the basement of an office building with an electrode boiler. As a general average the efficiency of such a boiler is only about 75 per cent of its electrical equivalent. The other 25 per cent is heat lost up the flue and unburnt fuel left as soot and smoke, losses that don't occur if electricity is used as a substitute.

If diesel costs \$8.9 per gigajoule (GJ), this is equivalent to electricity at \$11.9 per GJ, which is 4.3c per kWh. This already exceeds the cost

The opportunity value of electricity in heating

THIS week's alternative to smelting all our electricity surplus was written by Murray Ellis. Although currently on secondment as an honorary senior lecturer at Auckland University's engineering school he is employed by the Ministry of Works and Development. Ellis has expressed his concern and questioned the pricing policy on electricity on several occasions. He made this contribution to the debate at a Waikato University seminar — "The aluminium debate" — in September last year.

of electricity generation under most circumstances; but there is more to come.

The Energy Plan tells us that the international price of diesel has now reached that of petrol, and that in future diesel may be more expensive to provide than petrol.

"This change should be progressively reflected in pricing over the next five years," it says.

The implication of this is that the price of diesel will increase more rapidly than even the price of crude oil. Using the

Energy Plan forecast the overall increase will then be more than 5 per cent by 1985 and 64 per cent by 1990.

Remember: these are increases over and above the general level of price inflation.

The effect of the equivalent value of electricity used to replace diesel fuel is to increase it from the present 4.3c per kWh to 6.5c in 1985, and 7c per kWh in 1990.

Offset against these values should be the costs of purchasing and installing the electrical heating equipment. But the equipment is neither expensive nor bulky, and its operating and maintenance costs would be less than for the oil burners replaced.

How much diesel fuel is used in ways open to substitution? Our total diesel consumption is close to one million tonnes a year. Available statistics do not divide diesel use by the manner in which it is used, but it seems a fair guess that some 70 per cent is used in mobile applications (for example, transport, earthmoving, fishing, and so on).

Only 30 per cent or so is used in fixed locations where other energy sources could replace it. Local is not really a serious contender. Some could be replaced by natural gas and LPG but there are some difficulties.

Many buildings with oil-fired heating systems have boilers in poorly ventilated basement rooms and there is a severe explosion hazard if you attempt to run in a gas pipe and convert the boiler, so the only alternative is to build a new boiler house on the roof of the building.

Town planning restrictions do not always allow for such construction even if it is technically or economically feasible. LPG presents even greater problems due to the difficulty of finding an acceptable site for the storage tank.

So only about 20 per cent rather than 30 per cent of the million tonnes could appropriately be replaced by electricity.

This is 200,000 tonnes with an energy content of over nine petajoules. This can be replaced by seven petajoules of electricity, which is some 2000 Gwh a year. The value of the oil replaced would be some \$82 million a year at current prices, or \$134 million a year at the increased real oil prices expected by 1990, almost all of it in foreign exchange.

This can be compared with the most optimistic claim I have heard yet for the foreign exchange earnings from the second aluminium smelter of \$120 million from using 50 per cent more electricity.

In view of the attractive economics of making such conversions it may seem strange that they are not already happening. With the bulk tariff now averaging about 3 cents per kWh, and the retail domestic tariff at 4 cents or less it would seem that such sales would be well worth while on a purely commercial basis.

There are two reasons for this. A rather minor reason is that space heating requirements are concentrated in the winter, so that additional loads could add disproportionately to peak loads.

Against this is the fact that commercial space heating peaks in the early morning when the building is being warmed up for the day. Few electrical supply authorities have their peak demands at this time, while the national generating system is expected to have so much surplus capacity that even if a significant increase in peak demand did occur, it would cause little difficulty.

A much more important reason is that the great majority of users of diesel oil-fired heating are on commercial and small industries electricity tariffs. These people are required to pay exceptionally high rates for their electricity.

The surplus revenue allocated from them is used by the supply authorities to subsidise other consumers, mainly domestic and other activities.

For example, the Hunt Valley Energy Board charges its class of consumer 9.1 cents per kWh compared to its domestic tariff of 3.6 cents. The commercial tariff in Christchurch is even higher, over 13 cents.

There are more modest opportunities for more efficient replacement of diesel with electricity. For example, some diesel-powered machinery such as air compressors are moved from site to site, but are always stationary while in use.

Organising an electrical supply at each site would be a lot more hassle than just towing the diesel machine, but each unit of electricity used will replace three times as much diesel as it can when used for heating.

In the longer term the supply of space heat should also lie with electricity, not through direct electric heating as described above, but by means of heat pumps. Indeed, even now some air-conditioned buildings with oil-fired heating could well be encouraged to adapt their air-conditioning plant to provide heating as well as cooling.

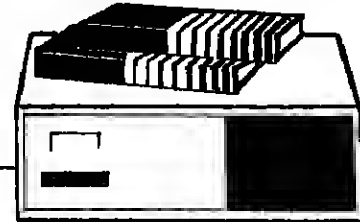
ANDERSON DIGITAL EQUIPMENT

North Star Horizon

EXPAND YOUR HORIZONS

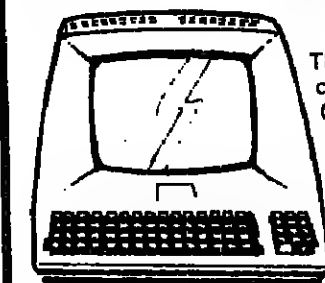
The remarkable North Star Horizon Computer System. Here is a complete high performance easy to use Micro-computer designed for Educational, Scientific, Industrial and Commercial applications.

Featuring dual quad-density mini-disc drives and 64K RAM; Z80 base micro-processor. The "Horizon" is simplicity itself; a start button and an on/off switch.

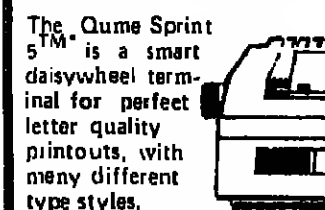


BENCHMARK TESTED:

North Star Horizon Computer — "Outstanding performance in a low-cost system characterized by the 'Horizon' benchmark testing. In accounts receivable the system's times beat all of the higher priced computers tested" — excerpt from U.S. Computerworld, September 1980.



The "Horizon" system incorporates the Televideo CRT display terminal. A 24 line by 80 character Display Addressable Cursor, Cursor controls and numeric Key Pad.



Or you may wish to choose an alternative printer from the wide A.D.E. range.

The world's finest operating systems also incorporate a wide range of application programmes.

The remarkable North Star "Horizon" could well be the system for you.

Call Anderson Digital Equipment now! Auckland 641-084, 644-224. Wellington 693-009. Christchurch 43-001, or Technology Resources Hamilton 383-601.



We Hold The Keys To Your Success

Atlas Copco



L AG10A

A breath of fresh air for production

Most of what you eat, wear and use has been processed. Chances are that in the process Atlas Copco was there breathing life into production. For more than 100 years Atlas Copco compressed air has made a clean quiet impact — powering specialised equipment in all areas. From the processing and packing of farm products to assembly line production of an endless range of manufactured goods — Atlas Copco is there. Atlas Copco leads the industry. Behind increased production are the machines. And behind the name Atlas Copco — a unique service plan to guarantee production one hundred percent. Total service is built in from the day we install your equipment. Atlas Copco is the vital force you can trust to be with you all the way.

TRUST THE NAME

Atlas Copco

Atlas Copco (N.Z.) Ltd. Head Office, Tunnel Grove, Graceland, Lower Hutt. Compressed Air Centres at: Auckland, Hamilton, Lower Hutt, Christchurch, Dunedin.



Service Division

EHS Engineering

24 HOURS SERVICE 24 HOURS

Refrigeration Air Conditioning Computer Rooms

Auckland 31 381
Hamilton 300 050
Wellington 727 007
Christchurch 717 100
Dunedin 52 116
Invercargill 83 940

* Helpful
* Reliable
* Efficient

The process of change — are we equipped to cope?

NEITHER the Government, any political party, or the Public Service has revealed a capability to revitalise our economy. To be credible, a capability must give us confidence that it can bring about adequate (therefore large) improvements in the three crucial areas — the terms of trade, employment, and the rate of inflation.

The problem areas are closely related; therefore improvement efforts must be closely related.

What is most lacking today is some assurance that there is a firm sense of direction, that the left hand knows (and approves) of what the right hand is doing.

In short, no method is being followed that promises success in achieving change or to show that we are in control.

Being in control of the process of change does not mean we know what the future will bring and have prepared a detailed plan of what will be done. Being in control does mean:

- Selecting future desirable changes from present undesirable conditions (such as inflation);
- Expressing those desirable changes as goals to be achieved by a future date;
- Organising public and private resources for progress toward those goals;
- Recognising that anything can change *enroute* and that most things will;
- Having confidence in how goals are being pursued is therefore paramount. Confidence means assurance that correct decisions and adjustments will be made as the vague shapes of the distant future (five years) become the more substantial conditions and problems of the near future (one or two years ahead).

We all acknowledge that it is difficult for people to change, and that it is even more difficult for organisations to change.

New Zealand (or any other country) can be described as a large number of organisations of vastly different size and make-up. When our country is thus considered, the very little progress made in the past five years to reshape the economy along more viable lines is perhaps understandable.

It is difficult for a country (seen as a collection of organisations) to change because organisation structures are best suited to the repetitive performance of standard work tasks. In the beginning, the relationship between tasks was established, and is changed so infrequently in most organisations that little or no provision is made (organisationally) as to how it can best be accomplished.

Most managers are used to dealing vertically (in the organisation chart sense) with subordinates and superiors.

Even the way things are stated emphasises the difference, with "vertical" terminology contrasting strongly with "horizontal" terminology. In the former, managers command, authorise, delegate, accept responsibility; in horizontal situations, there are committees which liaise, co-ordinate, suggest and individual managers decline to accept responsibility.

To force accelerated change in the New Zealand economy will create similar conditions in the sense of "unnatural" horizontal work requirements being forced on large organisa-

tions and between autonomous organisations, both public and private, that seldom work together.

Example: consider how a new manufacturing item for export could require unique (one-off) work tasks to be quickly and effectively performed by the following organisations:

- The various "vertical" organisations within the manufacturing company must work with each other to establish the relationships that

TO be confident of our control over the process of change, we must know about change and the problems associated with it, then compare with our control method and judge whether the method seems adequate. Therefore in this introductory article in a series, Wellington systems consultant Benjamin B Davis discusses:

- Why it is difficult "to change";
- What is a good measure of successful change;
- The theme of the next five articles in this series that, in total,

carriers establish transport requirements.

This listing gives some income, and combinations of the two.

mining the success of our change efforts is the per cent of Gross Domestic Product

willing lenders up to an amount of debt that is manageable. At that point the results are basically the same. The country does not declare itself bankrupt and turn in affairs over to a receiver, but it does lose control over its assets which are then controlled — even sold — by the holders of the country's debts.

● If "change" is successful in stimulating economic growth, sufficiently increased GDP would result in even an increase in interest charges registering as a lower percentage.

"Understand Change and Managing Change Agents", the next article in the series, was written in February 1979 — unfortunately it is still entirely valid. It highlights the paucity of ideas of how change would be accomplished, in contrast with the realms of rhetoric about what changes should be made. Indicating that neither private enterprise or the public service has demonstrated the necessary vision or competence, the article concludes with identification of an appropriate model for our "change" efforts.

"Restructuring the New Zealand Economy — Peril and Possibility" is the second article. It was written in August 1980 and comes to grips with our problem under section headings — what is meant by "restructuring"; and what are the implications; restructuring is dangerous and will result in worse rather than better conditions if not performed properly; why do we have to restructure; what is the best way to go about it?

The third article is "Restructuring the New Zealand Economy — What are the Implementation Techniques and Where are the Resources?" It was written immediately after the second and continues the exposition under these headings — the "How" of restructuring is as important as the "What"; crucial role of the public sector in restructuring; why the public sector is unprepared for its crucial role; restructuring activities by the public sector are very different from present (status quo) activities; one key to successful restructuring is tight and comprehensive control of work activities.

"Self-interest and Motivation in the Public Sector" was written early this year; it begins "with an exposition of the past and present state of self-interest and motivation in the public sector and contrasts that with the private sector. It concludes with the stark contrast between present incentives in the public sector and what is required to achieve successful change."

"Required Change in the Public Service Environment and Work Performance Conditions", the final article, was written "yesterday" and describes what the public sector required with the public sector and contrasts that with the private sector. It concludes with the stark contrast between present incentives in the public sector and what is required to achieve successful change."

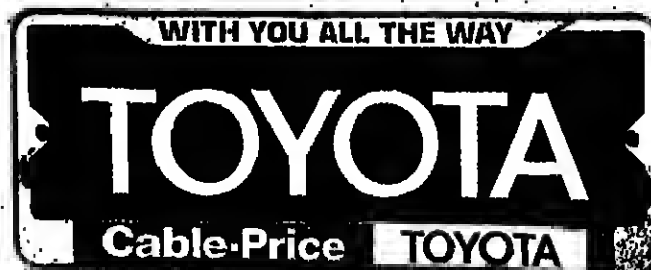
● We became aware of the need for economic change when the terms of trade turned decisively against us in 1973-74 and have remained negative. Interest charges indicate both the problem and its size;

● While many spurious comparisons are made between a country and a household economic unit, the danger of spending in excess of income is the same for both. Like the household, a country will find

HERE'S YOUR NEW CORONA



We'll treat it like we want to deal with you again



Whangarei, Auckland, Rotorua, Tauranga, Tokoroa, Porirua, Lower Hutt, Wellington, Nelson, Christchurch — L.M.V.D.

will make possible the subsequent repetitive tasks of mass production;

- Trade and Industry, Customs and Treasury would be involved with the company in arrangements to import necessary raw material;
- If an increase in the work force is required to produce the new item, the company must work with the range of organisations involved with the community infrastructure: Labour Department/Personnel Agencies (new workers), the municipality and perhaps town planning (housing), various boards and authorities (utilities), Education Department (schooling), and so on;
- Various Government departments for export incentives, aid in identifying overseas markets and selling in those markets;
- Railways Department, other internal carriers, and overseas

transportation, increase export sight into the complex process of identifying the unique system that includes everything required for each successful "change" effort. Each system is a horizontal construct, cut across the many separate and varied "vertical" organisations that must contribute resources to the "change" effort.

The programme approach is the best vehicle (organisational arrangement) for accomplishing change. It compensates for the deficiencies of vertical organisation structures and in other ways provides a supportive environment conducive to successful change.

The programme approach is the best vehicle (organisational arrangement) for accomplishing change. It compensates for the deficiencies of vertical organisation structures and in other ways provides a supportive environment conducive to successful change.

Recognises that change is overwhelmingly a people process. Programme staff must devise new systems, establish new relationships, suggest new organisations, and so on that will alter economic activities in ways that will reduce import expenditures, increase export

a different way, a successful programme is a management exercise in getting the very different people within the programme to communicate and work together so that "change" objectives are achieved.

Correct use of the programme approach ensures successful change, but how successful? What unit of measure can be uniformly applied over time and across varied programmes?

We have seen the value of our exports increase very substantially, and the cost of oil and other imports increase even more substantially. There are alternatives to increasing the value of exports, such as decreasing imports and reducing Government expenditure. Therefore to attempt measuring "change" success, even in constant value dollars, is not feasible. Given the variety of means and factors, the most appropriate measure for deter-

(GDP) consumed in interest charges on the national debt paid by the Government and quasi-government organisations such as the Development Finance Corporation.

That measure is best because it highlights when the Government borrows more and acts less, also provides an on-going stable indicator of how well we are doing in accomplishing change. In more detail, interest charges are a good indicator because:

- We became aware of the need for economic change when the terms of trade turned decisively against us in 1973-74 and have remained negative. Interest charges indicate both the problem and its size;
- While many spurious comparisons are made between a country and a household economic unit, the danger of spending in excess of income is the same for both. Like the household, a country will find

The price may be high, but so is quality in Nobile '76

by Frank Thorpy

CRITICISM has often been levelled at the high prices of some New Zealand wines, but one wine, retelling at about \$130, the dearest on the market, has its admirers. It is the 1976 Nobile Muller-Thurgau Auslese, literally a land-made wine.

There was a good, long hot summer at Nobile's Kumeu vineyard in 1976 — Nobile claims to have a favourable microclimate in its area — and was decided to take a risk to

keep the grapes on the vine as long as possible to concentrate the sugar content.

The vintners then resorted to a technique often used in the Jerez district of Spain, where the grapes after harvesting are dumped on esparto grass mats to concentrate the sugar content.

I well remember visiting the vineyard that autumn and seeing the grapes laid out on the floor of an oerated shed for a period which turned out to be 10 days. An anxious eye was kept on the weather but during

this period the grapes further shrivelled up, losing water content but retaining full sugar value.

The grapes were then pressed and fermented, not in stainless steel temperature-controlled tanks, but in small oak puncheons.

The fermentation went on for three months and heat was controlled by packing the oak puncheons with blocks of ice. The wine was then clarified and bottled to mature under cellar conditions till it was released in December 1980.

Winemaker Nick Nobile would be the first to admit that a much better wine would have been achieved if he had the genuine Riesling grape at that time instead of Riesling-Sylvaner. Notwithstanding this, the wine has merit — it has a true German Auslese quality — luscious, though one can detect the effect

of the lesser grape in the after taste. And it has been made without the dubious benefits of modern technology.

Perhaps the most interesting wine made in New Zealand, I can recommend it to any wine lover who cares to experiment. Stocks are not large and it is selling slowly but steadily.

It would go well with a fruit dessert and then to linger over instead of sipping a port or a liqueur. I could also recommend it as a wine to mull over with friends on a Sunday morning.

At the other end of scale, Cooks have introduced a "flavoured wine" Party Pack which contains the equivalent of four bottles of liquid and has a 9 per cent alcohol content. Retailing at \$7.99, the cheapest on the market, the quality is low and seems to be aiming somewhere between Food and Drug Regulation 228c

(flavoured wine etc) and 232 (general alcoholic drinks).

Under Regulation 228c, a "flavoured wine" may contain any herb, any spice, any portion or extract of any fruit other than apples, any vegetable bitter, any permitted flavouring substance, any specified colouring substance, any specified food conditioner except sorbitol, potable spirit, wine spirit. A truly formidable combination of additives which many thought to have disappeared with Brother Dominic.

One saving grace is that the amount of grape juice should exceed 40 per cent by volume of the finished product. Regulation 232 (general alcoholic drinks) states, *inter alia*, that a general alcoholic drink shall contain more than 1.7 per cent of alcohol derived from either the alcoholic fermentation of any food stuff

with or without the addition of spirits and may contain specified colouring substances, permitted flavouring substances, sugar, carbon dioxide, or any other foodstuffs. A pretty kettle of fish!

The drink must display a statement of the ingredients, including water, in descending order of quantities expressed as a percentage of the whole.

As Cooks Party Packs does not display a list of contents, it is obvious it does not come under Regulation 232 but it may be of general interest to see if it complies with Section 228c.

Beverages of this nature can do little to raise the general public image of winemaking, which has suffered further restrictions placed on imported wines under the plea that the wine industry needs time to improve its standards.

Wagnerian wine disaster

by Chris Foulkes
of the Financial Times

THE bottle of white wine in an English wine bar looked German to the core: a Teutonic label in black letters, Gothic type and a picture of a man in Lederhosen carousing in a Rhineland tavern.

But the small print below the picture told otherwise. The wine was a Euroblend, a legal if slightly ethical mix of cheap French wine and German Moselle. This new product was being sold through a loophole in common market labelling laws.

The drink itself is about as strong as the Brussels edict — inadventently made it is. It is sweet, flat, insipid and no closer to nature than the ink that printed EEC Directive 110/11 of Regulation 1957/79.

What is happening is that German winemakers, desperate for growing world demand for their Moselles and Hocks, are importing wine from Italy, France, and now Greece. They are then putting through some sophisticated chemical hoops to produce a drink designed for mass tastes. EEC rules allow these blends to be labelled Tafelwein — German for table wine — if the words "wine from different countries of the European Community" are printed on the label. But the wine trade in Britain, Germany's biggest consumer, is concerned that few consumers will read the small print and that they will be misled by the overall appearance of the label into thinking the wine is German.

The Euroblends are part of a German wine industry's response to rising demand and falling supply. German winemaking has worked long and hard to beat champagne, the Mediterranean and southern Hemisphere competitors, the German wine industry is subject to the fickleness of the northern climate. Frost,

hail, excessive rain and sheer lack of sun used to mean that the good vintages came perhaps twice a decade.

But this year, in an almost Wagnerian cataclysm, everything has gone wrong for German wine.

There are even allegations, strenuously denied, that wine to fill the Euroblend vats is being imported from the state vineyards of Eastern Europe.

Then on top of the Euroblend row came the great Moselle sugar scandal.

Officials from the Public Prosecutor's Office in the state of Rhineland-Pfalz charged last November that 1800 growers had illegally added inverted sugar to wines and were selling the resulting hrow as wine entitled to a far higher quality rating than it really merited.

The next disaster was the weather in 1980. Rain fell almost continually between June 16 and July 21, causing severe damage to the vine flowers.

The resulting crop was the smallest since 1962. It is half that of 1979 and, as prestige producers and shippers Deinhard comment, "must be regarded as a disaster."

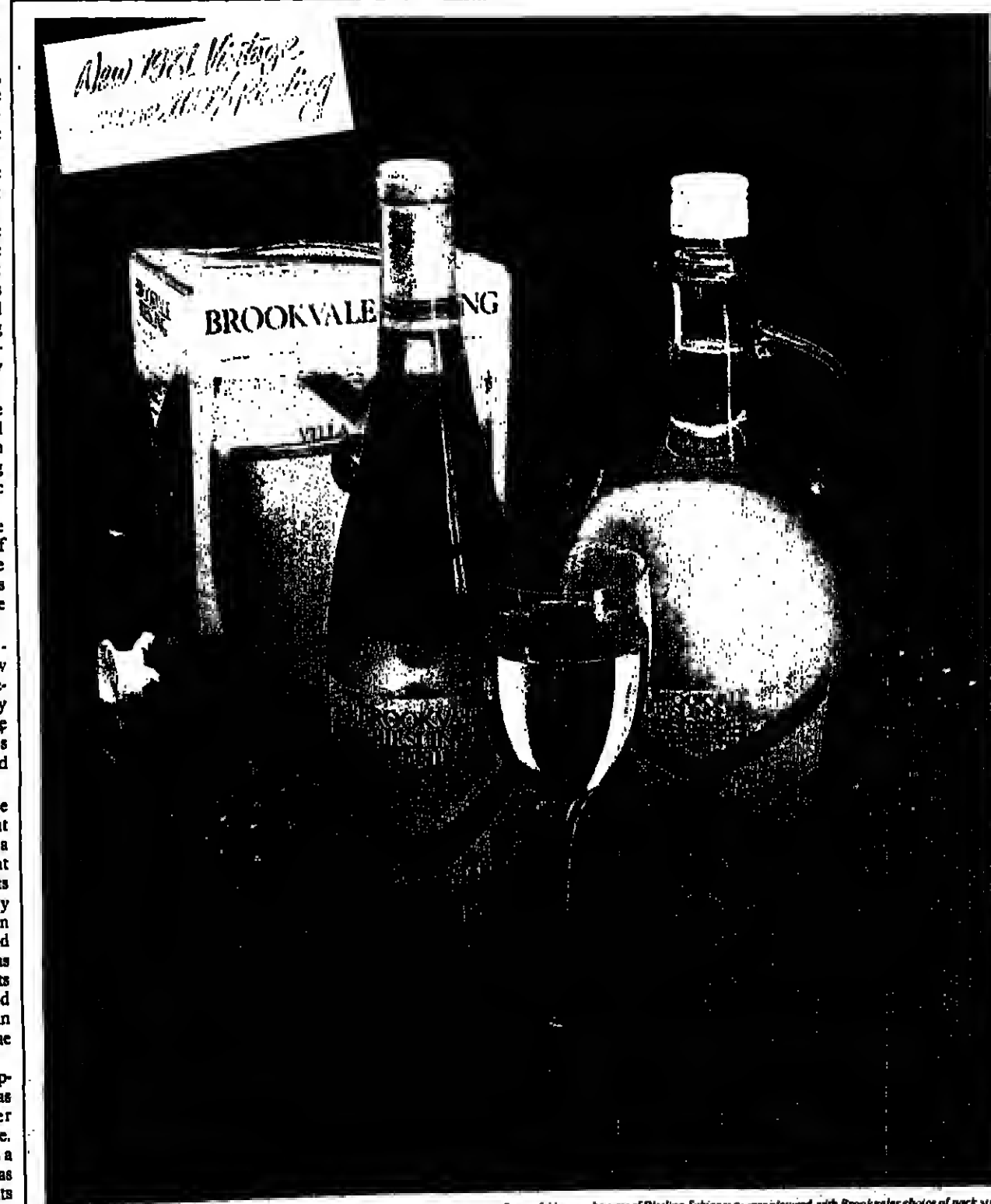
The trouble has been compounded by the quirks of New York fashion. American wine-drinkers have a tendency towards fads, which, because they are prosperous, numerous and enthusiastic, can have wild effects on the wine trade.

First came the Pouilly-Fuissé craze, which rocketed that minor white Burgundy to a status where, as wine merchant and analyst Peter Sichel points out, "it was a must on every self-respecting wine list in America." The price trebled between 1968 and 1972. It has fallen back as wine merchants and hoteliers to the United States have realised they can survive without Pouilly-Fuissé on their lists.

Much the same thing happened to Chablis. Then it was the turn of Piesporter Michelsberg from the Moselle. Perhaps because the name has a pleasant ring, America has taken this German wine to its heart.

As the Germans struggle to supply their export markets, other countries are planning to invade Germany to establish bridgeheads on the super-market shelves for their wines. For Germans drink a lot of wine — 24 litres a head a year, double the 1961 figure.

And with exports up 10-fold in 10 years and production down due to the weather, there is a gap to be filled. Eastern Europe, Italy and even South Africa are moving into the German home market.



Some of this years harvest of Riesling Sylvaner grapes picked with Brookvale's choice of pick style

THE BROOKVALE GUARANTEE: ...consistent Premium wine, in bottle, decanter or cask.

NATIONWIDE FAVOURITE
Villa Maria's Brookvale has been named the most popular wine in New Zealand for the past 18 months, according to the latest survey by the N.Z. wine drinker. Brookvale is voted solely with the best of N.Z.'s Riesling Sylvaner grapes from prime vineyards in Hawke's Bay

and Otago, and made to the truly German wine style. **WINEMAKER'S PLEDGE**
Villa Maria has guaranteed to keep Brookvale to the same Premium quality from vintage to vintage, whichever pick style you choose, bottle, elegant glass decanter, or economical 5 litre winecask.

PREMIUM GLASS WINES
As an independent winemaker, Villa Maria is justifiably proud of the success of its wines over the last few years, so you can be sure of top quality Premium wine in every bottle waiting the big red "V" on the label.



Wines to suit the occasion — or make it one. VILLA MARIA

Local Government

Historic Suter gallery wins direct rates funding

by William Hobbs

NELSON'S Suter Art Gallery, which has become a centre for both performing and visual arts, has been promised a regular income for the first time. A long campaign to secure civic finance for the gallery has succeeded in persuading the Nelson City Council to agree in principle to direct funding from rates.

The Suter Gallery was established late last century with a bequest from the city's second bishop, Andrew Burn Suter. He was a keen artist and the founder of the sketching club now known as the Suter Art Society.

With funds from the bishop's widow, and more raised by public subscription, a gallery was built in 1899 to house the bishop's collection of pictures. Additions since then have made

the Suter collection the largest of any among provincial art galleries, valued at between \$500,000 and \$1 million.

The gallery limped along for years with meagre resources of the Suter Trust Board as its sole source of funds, and the gallery building provided only cramped and humid storage for the paintings. The collection began to deteriorate physically.

The plight of the collection was taken up in *Truth* soon after the appointment of Austin Davies as gallery director, five years ago. Since then he has waged an almost constant battle with the city for better funding.

He has been joined by the Suter Trust Board, seeking in a less strident and abrasive fashion to improve the gallery. At times it has seemed almost like a comedy show, with the old hand cop, soft cop routine — Davies coming the heavy

proddings, the city council resisted direct funding until recently. A number of councillors maligned the obligation to the gallery with a \$100,000 contribution to the building extensions (matching a similar amount from the Government), a continuing rebate on rates and power charges, and funding of the provincial arts council (0.7 per cent of the rate take each year).

From the rates contribution to the arts council (about \$20,000 last year), the gallery received \$8500. But the arts council does not see its job as distributing money for on-going administration expenses, and it had told the city it wanted to shed long-term commitments of that type.

The gallery people also regarded the system as unsatisfactory. Davies says the

proddings, the city council resisted direct funding until recently. A number of councillors maligned the obligation to the gallery with a \$100,000 contribution to the building extensions (matching a similar amount from the Government), a continuing rebate on rates and power charges, and funding of the provincial arts council (0.7 per cent of the rate take each year).

From the rates contribution to the arts council (about \$20,000 last year), the gallery received \$8500. But the arts council does not see its job as distributing money for on-going administration expenses, and it had told the city it wanted to shed long-term commitments of that type.

The gallery people also regarded the system as unsatisfactory. Davies says the

Suter is the only art gallery in the country not funded to a substantial degree directly by its city council, and he says Nelson's record of funding the arts is generally poor. In one issue of the quarterly gallery newsletter to supporters, he listed the per capita spending on the arts of 13 cities from Auckland to Invercargill obtained from a 1978 survey. It showed Auckland at the top of the list (\$5.52 a head) and Nelson firmly at the bottom (\$2c a head).

To meet present needs, the Suter wants a civic grant of \$27,000 a year, \$15,000 of it to meet the cost of employing a qualified art technician, the rest is to cover the cost of bringing in four touring exhibitions a year (there is a flat rate exhibition fee of \$800 for each one), gallery cleaning costs, and \$5000 to meet power charges for the temperature control system.

Davies and Gunn regard employment of a qualified technician as the most urgent need. The gallery is staffed only by Davies as director and a secretary, with help on special projects from PEP workers.

Davies spends most of his time as a business manager. This has helped generate earnings of almost \$70,000 last year from the wide variety of events held at the gallery, but it has precluded him from performing the basic function of being an active curator of pictures.

He says some touring exhibitions have by-passed Nelson because their organisers won't entrust their works to the Suter's volunteer workers.

The lack of a full-time technician at the gallery has also meant that the rest of the country cannot see the Suter's recently acquired collection of Woollaston drawings and paintings. Last year, Sir

Tossell Woollaston gave the Suter 100 unmounted and unframed drawings, and Davies has said he would like to prepare a selection for a touring exhibition.

Fifty of the drawings are being framed and mounted in Nelson and will go on display at the Suter Gallery next month, but Davies says he cannot spare the time to organise a touring exhibition.

The Suter's other main problem is the restoration and reframing of the older pictures of the permanent collection, something which Davies has started to tackle in a novel way. In January he sought private or commercial sponsorship for the restoration of a Lindauer painting of the Maori chieftainess, Huriia Matenga, promising an acknowledgement plaque on the restored painting in exchange for the \$200 needed to send it to the laboratory at the Dunedin Art Gallery for restoration. Five offers followed, on the assumption that the Pacific record as a beef processor will end the steady erosion of farmgate returns.

But the effect is certain to go far beyond Hawkes Bay, farmers promoting delicensing lobbying brought an end to meat processing being last year and its administrative body, the Meat Industry Authority, will be disbanded later this year.

However, the authority ruled in its annual report 20th recently that delicensing would rebound on the farmer, shifting competition between processors.

This would arise from the fact that existing works could not be sold as quickly and no doubt much more cheaply than could a new work.

Delicensing has already had a casualty, the Southdown works in Auckland and there may be more to follow.

Gear Meat Processing in Wairoa, now owned by the Hawke's Bay Farmers Meat Co., is at the crossroads. Management has unveiled a "plan for survival" requiring an \$8 million investment programme over three years which has publicly been made conditional on agreement by the Meat Workers Union to reduce manning.

The alternative is closure. The Ministry of Agriculture and Fisheries had been expecting Southdown to close at any time over the past 20 years. It is also expected to go in for a not-too-distant future and other plants at Wanganui or Palmerston North.

Transport economics alone put works such as Gear at a disadvantage. Fuel price rises since 1970s have made it costly to transport stock over long distances. It is economically better to site a works near the coast of its catchment area and move the carcasses the longer distance to an export port by ship.

In its blueprint Gear shows its catchment area stretching up the East Coast to Wairoa and across the central North Island to Tauranga before coming south through Manawatu and the Wairarapa.

Next steps will be to 12 competing works closer to all

but a few of Gear's suppliers in the immediate Wellington and southern Wairarapa area.

For the Gear works to stay open, the blueprint says it needs to kill one million lambs a year, a target it has not met for several years. Historically Gear has had high processing charges, if not the highest of all North Island works.

Gear's immediate problem is to comply with European Economic Community hygiene standards and with health regulations in its rendering plant.

The blueprint was written around the assumption that the works will have three chains operating in future, though theoretically one of those is being installed at Takapau. Delicensing has removed that obligation.

There have already been strikes over the management's

Agriculture

Hawkes Bay first test for meat works delicensing

WITH an excellent season behind them Hawkes Bay sheepfarmers are looking forward to the next with more than usual interest.

The next may not be so good. A severe outbreak of facial eczema will take its toll at lambing time and the weather may be being disaster.

But when the lambs are finally price haggling will be more intense. Within a month new freezing works are expected to open in Central Hawke's Bay.

The Hawke's Bay Farmers Freezing Company will swing one chain into operation at Takapau in October and not far away Pacific Freezing will begin working one chain in November followed by another only in the New Year.

Farmers in the district have enjoyed the lowest processing charges in the country at traditionally get at least a 10 per cent premium on

carcass price. Now they are looking forward to even fiercer competition, on the assumption that the Pacific record as a beef processor will end the steady erosion of farmgate returns.

But the effect is certain to go far beyond Hawkes Bay, farmers promoting delicensing lobbying brought an end to meat processing being last year and its administrative body, the Meat Industry Authority, will be disbanded later this year.

However, the authority ruled in its annual report 20th recently that delicensing would rebound on the farmer, shifting competition between processors.

This would arise from the fact that existing works could not be sold as quickly and no doubt much more cheaply than could a new work.

Delicensing has already had a casualty, the Southdown works in Auckland and there may be more to follow.

Gear Meat Processing in Wairoa, now owned by the Hawke's Bay Farmers Meat Co., is at the crossroads. Management has unveiled a "plan for survival" requiring an \$8 million investment programme over three years which has publicly been made conditional on agreement by the Meat Workers Union to reduce manning.

The alternative is closure. The Ministry of Agriculture and Fisheries had been expecting Southdown to close at any time over the past 20 years. It is also expected to go in for a not-too-distant future and other plants at Wanganui or Palmerston North.

Transport economics alone put works such as Gear at a disadvantage. Fuel price rises since 1970s have made it costly to transport stock over long distances. It is economically better to site a works near the coast of its catchment area and move the carcasses the longer distance to an export port by ship.

In its blueprint Gear shows its catchment area stretching up the East Coast to Wairoa and across the central North Island to Tauranga before coming south through Manawatu and the Wairarapa.

Next steps will be to 12 competing works closer to all

but a few of Gear's suppliers in the immediate Wellington and southern Wairarapa area.

For the Gear works to stay open, the blueprint says it needs to kill one million lambs a year, a target it has not met for several years. Historically Gear has had high processing charges, if not the highest of all North Island works.

Gear's immediate problem is to comply with European Economic Community hygiene standards and with health regulations in its rendering plant.

The blueprint was written around the assumption that the works will have three chains operating in future, though theoretically one of those is being installed at Takapau. Delicensing has removed that obligation.

There have already been strikes over the management's

efforts to reorganise work in the boning room and demands by the union to examine the parent company's books to find other areas where cost savings can be effected.

With the Southdown closure still in mind the Auckland-based Meat Workers Union has been more ready to talk to the companies in the region and reorganise manning agreements.

Auckland farmers can expect to benefit next season. With Southdown's closure, the Auckland Farmers Freezing Company will be under less pressure to maintain relatively high processing charges which are usually matched by the other works in the region.

There will also be pressure from outside the region. The Hawkes Bay works will be keen to maintain throughput and may see the need to buy

from the Auckland region, a reversal of patterns over past years.

Daigety's Aotearoa works at Cambridge will also have a greater capacity, effectively moving from a half-chain to a full-chain operation, from 1500 head a day to 3200.

Overall in the North Island there will be a net increase of two and a half chains by early next year, the capacity to kill an additional 8000 lambs or their equivalent in ewes a day.

Next season's lamb crop is expected to be about the same, as this year's record 31.5 million.

Facial eczema outbreaks in the Waikato and Hawkes Bay will ensure lower lambing percentages and more ewes dying giving birth.

In Mid-Canterbury a long autumn drought meant that ewes were light at tupping time

with an inevitable drop in twins. However, that may not mean less work for the processors. MAF farm advisors expect an end to the rapid flock-building of the past two years.

According to the statistics the national flock grew by 8 per cent last season and by 3 per cent this season to 71 million.

Without a technological breakthrough farm experts doubt the management ability of farmers and the capability of the land to ensure growth beyond 71 million.

Once the peak is over, profitability for the year depends solely on sufficient throughput to meet the standing overheads.

Then the extra capacity in the North Island will inevitably mean fierce competition and plenty of premiums above schedule.

The major processors cite the South Island as the ideal for

which they strive — a balance between throughput and capacity that tends for a long season. South Island charges are beaten only by Hawkes Bay in most years.

Both sides are already claiming that elements in their arguments are being borne out. Dawn Meat-Pac's parent-managing director John Foster says his forecast of a rapid growth in flocks has been realised.

Existing processors point to their capacity to handle this season's record lamb kill free of major industrial disputes and stock backlogs.

Foster warns Hawkes Bay farmers not to expect too much next season. "It took us four years to get our beef works operating efficiently so that we could lower charges below those of Whakatu (Hawke's Bay Farmers' main works)".

You know how good our name is.



Do you know how good our security systems are?

Philips Security Systems. We have a reputation as world leaders in the electronics industry. It's a reputation we guard carefully... particularly in the field of electronic security systems.

Our expertise has one very special feature. We design total systems; everything you need is furnished in a single package. We ascertain your requirements exactly, then put together a professional system which is efficient, from a security viewpoint and a cost viewpoint.

We'll implement the system and install it. It may be a simple alarm, or it may include complete security for doors, windows, perimeter fences, skylights, safes and closed circuit tv for monitoring break-ins. Philips technology may be used; but where a special requirement necessitates other equipment, we'll utilize it.

We'll train staff in the operation of the system. We'll maintain it, and our back up

service will include the design of modifications should they become necessary. As you grow, so may your security requirements; Philips will see you're covered every step of the way. Philips Security Systems. Technology as good as the name it bears.

Post this coupon for further information on Philips Security Systems.

MEMBER NZSIA

PHILIPS ELECTRICAL INDUSTRIES, SECURITY SYSTEMS
P.O. Box 2097 Wellington P.O. Box 41021 Mt. Albion Auckland P.O. Box 1488 Christchurch

NAME _____
ADDRESS _____

TELEPHONE _____

Or simply telephone Philips Security Systems, Auckland 894 180, Wellington 959 859 or Christchurch 785 030 to arrange for a consultation.

We want you to have the best

PHILIPS

FULL MERCHANT BANK SERVICE

CBA MERCHANT FINANCE LTD
For information, phone Ken Littlejohn or John Morgan, Auckland 770-289, P.O. Box 37-241, Auckland.

JOIN US AT A Town House HOTEL

we want to make your stay a happy one

The warmest welcome, the finest facilities, gourmet cuisine and concern for your personal comfort await you in Auckland, Wellington and Otago at our magnificent Town House Hotels.

Combining the comforts of home with the luxury of a caring, attentive staff, each of our beautifully appointed Town House Hotels offers a haven to those on the move.

All Town House Hotels are fully licensed with restaurant, bar and outstanding conference facilities. In fact, we specialise as a venue for conferences.

Each of our Town House Hotels has sweeping harbour and city views, ample parking and saunas. Our suites and spacious bedrooms are equipped with all modern facilities, colour television, refrigerator, etc.

come and sample our hospitality

For reservations of further information, please contact your local representative or write to TOWN HOUSE HOTELS, P.O. Box 272, Auckland Telephone 322-111, Telex 1222207 TOWN HOUSE HOTELS, P.O. Box 555, Wellington Telephone 322-776, Telex 1222207 TOWN HOUSE HOTELS, P.O. Box 516, Christchurch Telephone 778-724, Telex 1222207

Just tick the appropriate boxes:
☐ Please send me a colour brochure describing your Town House Hotels at Auckland, Wellington, Otago and the proposed new complex in Tauranga.
☐ Please send me details of your Town House Hotel conference facilities at Auckland, Wellington and Otago.

Name _____
Address _____
Phone _____

Pan Am put the middle seat out of business.



For all the times you fly on business. For all the times you've longed for just a little extra room. And prayed that middle seat would stay empty.

We've put the middle seat out of business. For good. We call this select new section, Clipper® Class.

It gives you more space. More comfort. More convenience. With the same big, roomy seats reserved for First Class on the next generation of jets.

Now you're never more than one seat away from the aisle. So you've more space to enjoy the premium Pan Am service reserved for Clipper® Class travelers.

On all 747 flights to the USA, Britain and Europe. Pan Am's Clipper® Class. By putting the middle seat out of business, we help you get on with yours.



Say hello to Pan Am.

Computers

ICL in deep trouble in UK, but NZ activities sound

by Stephen Bell

DESPITE optimistic noises from the New Zealand operation, British computer company ICL is in deep trouble back home. Losses for the latest half-year to March 31 amount to a massive, though expected, \$77.3 million on worldwide operations.

The only bright spot is that performance has improved from the first to the second quarter, and now attempts to arrest the slide have been stepped up.

The latest moves involve sweeping management changes and another hefty slice of British Government support in what may be a last-ditch attempt to save the ailing manufacturer.

If these efforts fail, there will be little option but to reconsider letting ICL go to a

foreign manufacturer. Exploratory talks have already been conducted with a French company, Saint Gobain Point de Mousson, and the more familiar names of NCR, Univac and Honeywell have also been the subject of rumours.

But with renewed rescue moves these negotiations were suspended.

If this attempt fails to revitalise the company, the only alternative to selling out, British sources suggest, will be to take ICL back under the wing of the state National Enterprise Boards, identifying it in the minds of the public as a "lame duck" venture.

The NEB originally had a 25 per cent stake in ICL, but this was sold last year on the instructions of the Conservative Government, set on slimming down state support.

The Government set strict guidelines for future NEB shareholdings, preferring to see participation only in companies which really needed "rescue".

Ironically, ICL now seems capable of meeting these criteria, largely because of the withdrawal of previous NEB participation. Labour's shadow industry secretary, John Garrett alleged.

ICL (NZ) managing director Tony Neville discounted the possibility of the UK misfortunes dragging down the New Zealand subsidiary. The link between the two country's fortunes was less strong than it had been, he said. Financial performance here tended to reflect the triennial election cycle, particularly for companies heavily involved with government work.

But half-year figures for ICL

(NZ) can hardly be described as brilliant.

The company stresses its growth in orders and income, but profit has dropped substantially compared to the equivalent period last year.

Much of the drop was due to outside factors like interest payments, said Neville. He expressed confidence that in the full financial year (October 1 to September 30), profit would prove to have kept pace with turnover growth.

In the UK new ICL managing director Robert Wilmot has suggested that the company's salvation lies in pushing into new and promising markets in distributed processing, communications and the "automated office".

Some forays have already been made into these areas, but the company's major investment is still in its 2900 line of

medium and small computers. These are regarded as technically very good machines, but are clearly not proving enough to support the company on their own.

A blow was dealt to this sector of the market with BEC regulations requiring the British Government to give up its policy of preferential purchase of ICL equipment. But since then, ICL has continued to win significant public sector orders, deputy chairman Arthur Humphreys pointed out on a visit to New Zealand earlier this year.

It is significant that Wilmot has been recruited from the British office of American microelectronic component manufacturer Texas Instruments, whose strengths in the computer market lie at the small end.

At home, noises have also been made about moving further into small equipment and new hardware markets, but the New Zealand company is also concentrating on expanding its software and services side, and giving it its own separate identity.

The local company has recently acquired agency rights to a set of database and data communications products from Cullinane Corporation in the United States; an interesting move, which sees the local company riding on the back of the hardware success of rival IBM.

Although ICL runs a modified version of Cullinane's database package on its own machines, the software which is

IBM New Zealand Limited
Auckland, Phone 778-918
Hamilton, Phone 82-357
Wellington, Phone 720-499
Christchurch, Phone 792-840
Dunedin, Phone 740-581

WORD PROCESSING BRIEFING The Displaywriter Workstation

The IBM Displaywriter basic workstation comprises a Keyboard, an Electronics Module, a Display Screen and a Diskette Unit. The Diskette Unit was discussed in the last month's Briefing; the remainder of the workstation is described in this Briefing.

The Keyboard is attached by cable to the Electronics Module. This is not only common practice in word processing machines, it is an ergonomic requirement in many countries. New Zealand has no official standards for word processing machines but such attempts as have been made (the State Services Commission and the Public Service Association standards examples) reflect European standards which specify moveable keyboard and moveable screen.

All other components are cable-connected to the Electronics Module with external cables which cannot be plugged in the wrong sockets. Your typist is shown how to unplug and replug a Displaywriter should you ever want to re-locate it.

The Display Screen is cable-connected to the Electronics Module and can be tilted so that the face of the screen is positioned at right angles to the operator's line-of-sight (another ergonomic consideration) and swiveled to suit the room lighting. As with our earlier Office System 8 we use green printing on a black background so the eyes are less fatigued. (The human eye has its maximum sensitivity at about this colour and so needs the least light in order to see the screen image clearly.)

The operator can therefore move the keyboard relative to the screen (the board cable is 760mm long) for maximum comfort. The keys are easy to press but retain the resist-then-yield feel of typewriter keys. The keyboard has a matt white; to eliminate distracting glare. The "P" and "N" buttons have slightly deeper indentation in the top so that the touch-typist can easily locate the "home" keys. A nice touch, we think, that separates Word Processing Keyboards from those designed primarily as computer terminals.

The Electronics Module houses most of the intelligence of the Displaywriter System. Within it there are two memories: a "Read Only" or permanent memory which controls the system checking procedure when the system power is first turned on and also provides the program needed to load the main programs. These "external" programs are read in from diskettes (see last month's Briefing). The minimum capacity of the Displaywriter System's Random Access Memory is 160K bytes, but you can opt for 192K or 224K. "K" is a unit of 1024 bytes. These figures are given so that you can compare the Displaywriter with other offerings.

In Summary: The IBM Displaywriter looks good, feels good and is easy on the eyes. Whether you're a typist or just a sightseer it is designed to be easy to learn and easy to use. The minimum configuration (which includes a diskette unit and a printer) sells for approximately \$13,000. You might choose a configuration with a high speed (6000) printer and dual-tray automatic sheet feeder all for under \$20,000. For multi-workstation environments why not have up to three workstations (screen, keyboard, diskette unit and electronic module) share a high-speed printer? That's very cost-effective.

Why not see the IBM Displaywriter System - we'd like to see your eyes light up!

Kind Regards,
Noel Barker
Market Support Specialist

"If You Need Solutions, Then You Need IBM"

the subject of the new agreement operates on IBM processors.

ICL NZ announced a pre-tax profit of \$604,000 for the half-year ended March 31. Orders taken were up by more than 55 per cent over the same period last year, and revenues reached a record \$10.2 million.

Major ingredients to the success were two orders for large 2900 series computers and continuing sales of the popular small ME29 machine, said chairman Laurie Cameron.

But the occasion was dampened, to say the least, by the announcement of the low profit figure and worldwide losses. Cameron continued to ascribe the lack of worldwide success largely to the British economic recession.

"There is no sign of any material improvement in the economic climate," Cameron added.

Parr of the company's problem arose from over-manning, he admitted, ironically, as an outcome of increasing use of "new technology" in production.

This "continues to reduce the work content required for our products and services," said Cameron. "The British parent board's latest assessments of the company's manpower needs to show a further overall surplus of 5200 employees." The company is already engaged in a redundancy program for 3000 British workers.

The latest move will also involve overseas staff, but there will be no redundancies in New Zealand, Cameron promised.

Supplier known soon for packet-switching

by Stephen Bell

THE growing ranks of users of digital communications are impatiently awaiting news of the selected supplier for the country's projected packet-switched network.

The end of the tender evaluation phase will bring within sight the implementation of this already delayed project, which, in theory, will do much to relieve the hard-pressed availability of communications lines.

Digital communications capacity has been notoriously hard to come by, with users faced with a long wait to get a line from the Post Office.

Packet-switching is one of the strategies adopted to relieve this bottleneck. By splitting data into a sequence of individually deliverable "packets" rather than a message requiring a permanent connection, the approach allows users to share the same physical information channel, without needing an expansion of the line's capacity.

Packets of information from several sources can flow together along the same line; each packet carries a destination "address" appended to the information, so the elements of different messages can be sorted out and routed correctly by an electronic equivalent of a postal sorting office.

But what users are waiting to see is whether it will be worth their while to transfer from conventional leased communications lines to the new mode of transmission; tariff levels have not yet been set by the Post Office.

The Post Office has, indeed, hinted that it might initially set charges for packet switching artificially high, to discourage too sudden a switch on to the packet network.

But the West German experience of packet-switching gives cause for concern.

The Bundespost (communications authority) set a high tariff for its packet-switching links and found that after some experience of the practical cost of the new mode of transmission, users began to drift off the system and back to more conventional lines.

The charges for a packet-switched link typically comprise a base charge plus a charge for the number of "packets" of information transmitted.

Response of the Bundespost to its lack of packet-switched custom has naturally been not to lower the packet-switching charges, but to raise the charges on old-style leased lines.

So the true economics of packet-switching to New Zealand will be watched very carefully when the network finally comes on stream.

The original request for tenders gave a "tentative" implementation date of August 1981, but this was based on selection of a supplier by August 1980.

With selection now at last rumoured to be coming up, the in-service date looks like being June, or even earlier.

Whatever happens, the broad standard for the network is already established; it will be the "X-25" set of procedures already adopted by several countries.

Transport

Shipping Corporation caught in US legal tangle

by Bob Stott

AMERICAN legislation aimed at checking the formation of monopolies in shipping companies to prevent the Shipping Corporation from participating in trade with United States Gulf ports in its own name — although an application by the corporation is slowly progressing through the Washington bureaucracy.

In essence, the Shipping Corporation lacks the resources to provide by itself a service of sufficient capacity and frequency to attract New Zealand exporters and importers. It therefore wants to join with two other operators in the trade; the three could maintain a viable level of competitive service.

Shipping conferences have long existed for decades, but they have not met with universal approval. Many countries have held inquiries into the conference system, and while often critical of some aspects, generally have concluded that the conference system is the lesser of two evils.

The conference system does not mean a dampening down of competition, but regular exporters or importers above all need regular, reliable shipping services running to time-tables, and with set rates — predictable services, which will do what they say they will at an agreed price and by an agreed date.

Open competition does not

give that service, and the conference system has survived not because it is perfect, but because it is better than the alternatives.

In Britain, a Royal Commission on shipping rigging in 1909 concluded that conferences were necessary for the reasons outlined above. It also recognised that a conference system could lead to abuses by the lines, which would be in a powerful position to dictate terms to users.

The commission saw as the counter to this the formation of user groups — shippers' councils. If the lines had to group together to offer the right sort of service, then the users must group together to speak with one voice as a counterbalance.

New Zealand does not have a shippers' council but the biggest exporters — those dealing in primary produce — have grouped together. Freight rate negotiations are conducted not by freezing companies or dairy companies individually but by the producer boards, which have enough clout to at least ensure that their points of view are taken into account... and usually they can do better than that.

The Americans held a similar investigation to that of Britain's Royal Commission — the so-called Alexander Committee, which published its findings in 1913. The committee also concluded that conferences were necessary to ensure that com-

petition was regulated and so on.

But the committee did not see shippers' councils as the best way of providing the necessary checks and balances to the conferences. Perhaps not surprisingly in a country which spawned the Interstate Commerce Act, the Alexander Committee concluded that legislation was the way to control conferences.

Thus Britain chose a free-enterprise or market forces counter to conferences; the Americans went the bureaucratic way.

The Americans claim that their laws are applicable to all conduct abroad which has or is intended to have substantial effects within the United States or on American foreign or domestic commerce. This means that shipping between two ports outside the United

States and in which United States shipping lines are a dominant force may constitute commerce of the United States.

An agreement concluded between foreigners, and reached outside the United States, can fall within the jurisdiction of the American courts if that agreement is carried into effect by acts within the United States — such as a shipping agreement which covers a voyage that includes a call to a United States port.

So, if a couple of British shipping lines and a New Zealand line agree at a meeting in Wellington to send a ship to the United States laden with New Zealand exports, the Americans will require the partners to adhere to United States laws.

In 1977, Shaw Savill and the Bank Line, two British operators, decided to join forces on a route to the United

States. Shaw Savill had long been trading from New Zealand through the Caribbean and on to Britain, while Bank was also long established on a New Zealand-Australia-US Gulf route.

The two lines decided to form a new company and therefore did not regard they would be seen to be forming a conference because the new line would be a separate entity. They decided that three new purpose-built ships would handle the trade adequately, the third of them New Zealand-owned.

At that stage American approval was sought because the operation was beginning to look like a conference.

Two American lines in the trade objected to the inclusion of the Shipping Corporation; then the status of the Bank and Savill marriage was questioned.

In the end Bank and Savill were permitted to continue in the meantime in the trade (a trade in which they have participated for years) but the Shipping Corporation's application is still being processed.

The Shipping Corporation does have a vessel in the trade — the one specially built for it. But the ship is chartered to Bank and Savill, which makes for complications. For instance the corporation might be seen to be participating in a pooling agreement which gets some of its revenue from US cargo.

And although the Shipping Corporation has approval from the producer boards to carry meat and dairy cargo in America, it cannot because it is not an "approved" carrier. Bank and Savill meanwhile cannot get the meat and dairy cargo either, because they are defined as cross-traders.

IMPORT FINANCE AVAILABLE

Import Finance is available to small and large Importers for purchase of imports — facilities provided from a few thousand dollars to five million dollars or more.

Payments are made to suppliers under Letter of Credit or as required, to any country in the world. Credit terms are extended to Importers (up to 180 days).

Our rates are particularly competitive and Importers' assets usually are not encumbered. Import Finance offered is additional to Importers' current sources of funds from Banks or other finance houses, so working capital is significantly increased.

FINANCE is available also for local purchases and exports.

Marine Insurance, shipping and related services are available if required.

For further information please contact.

Manager — Import Finance
CONFIRMING IMPORT FINANCE GROUP

SYDNEY 220 Pacific Hwy, Crows Nest, 2065 Phone: 922 6833 Telex: AA229222	AUCKLAND One Elliot Rd, Wellington St, Auckland 1 Phone: 794 661 Telex: NZ80473	ADELAIDE 88 Currie St, Adelaide, 5000 Phone: 51 6891 Telex: AA68743
PERTH 80 Stirling St, Perth, 6000 Phone: 328 3877 Telex: AA84382	MELBOURNE 98 Albert Rd, South Melbourne, 3205 Phone: 690 3233 Telex: AA34145	BRISBANE 40 Queen St, Brisbane, 4000 Phone: 229 1955 Telex: AA42211

With our simplified rates there's no possibility of paying for kilometres you don't drive

Car Rates
New Zealand

With our new
Simplified Rates
you'll always know
exactly where you are

Working away from home is a big enough price to pay without paying rental car rates that are not all that meet the eye.

With Avis you know exactly where you are, because we've simplified our rates so that when you rent from us you only pay one daily charge plus a set amount per kilometre.

We know that the majority of our business customers only drive a certain amount of kilometres a day which means that with Avis, there's no possibility of paying for kilometres you never drive.

And for the businessmen who requires a car for five days or more and intends driving large distances, we offer our unlimited Unlimited Kilometre Rates.

Some rental car companies charge drop off fees for one way hire. Others have add-on charges for minimum hires. And still others are so complicated, you're confused by the restrictions before you start.

Not if you rent from Avis.

We're New Zealand's largest and most experienced rental car company.

That's why more people by far hire an Avis Rent a Car. P.S. Remember only Avis offers a One Way Hire service with no aggravating add-ons and hidden requirements.

AVIS
We try harder

WORD WAR WON

The word processing market has become a battleground. Fighting to undercut prices and bombard you with system features is often more confusing than convincing. But—CPT is here!

CPT Rated NO.1 BY USERS

CPT is clearly established as the leading word processing system in New Zealand, with more than 200 systems installed. And now the CPT 8000 is rated No. 1 in terms of user satisfaction by the authoritative Datapro Research Corporation in the U.S. User satisfaction—the ultimate measure of success. The word war's been won.



SUPER Efficiency

The CPT 6000 and 8000 systems are equipped to meet all business needs, boost your business efficiency, and are backed by a total support package. Installation of a CPT system not only means being able to recruit and retain high quality staff, increasing current staff productivity ensures your business remains competitive—and that you beat inflation by fixing operating costs and overheads now.

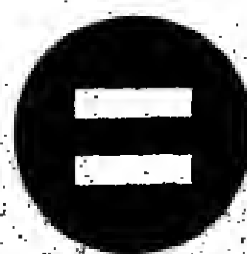
from only \$80 per week

A competitively priced word processing system, backed by the experience and expertise of Computer Consultants Limited who can guarantee DELIVERY NOW. You start saving time and money immediately—not next year.

Contact us NOW!

We don't believe we can sell a word processor in an ad. Your individual business requirements are too specific. Face-to-face we can show you how the CPT can meet all your business needs. Ring us now. Turn the word processing war into an early victory. You will find that the CPT is precisely what you need. The victory will be yours.

Auckland Tel: 798-345, P.O. Box 2633
Palmerston North Tel: 71-654 (72-082 from 1 July), P.O. Box 1324
Wellington Tel: 726-007, P.O. Box 492
Christchurch Tel: 792-274, P.O. Box 22528



Computer Consultants Ltd
= COMPUTERS = BUREAU = WORD PROCESSING =
No. 1 in Word Processing

by Lindsey Dawson

NEW ZEALANDERS frustrated by the high cost of home building are going for a new idea of home building which is the shell-only home concept.

"The first year we were in business we were primarily selling them as holiday homes. It rose up to 90 per cent of our customers are buying them as permanent homes," said Rustic Homes manager Roly Jones.

The shell-only concept means that the buyer pays for a structure which is weather-proof and lockable but not habitable. It has floor, walls, doors and a roof but no plumbing or electrical installations. Owners also pay to complete wall linings and install kitchen and bathroom fittings and interior joinery.

It means they can shop around for the best ways to finish off the interior. A hardware merchant, for instance, usually offers a 15 per cent discount, on a house-lot. Fughton told NBR a purchaser can save several thousand on a \$30,000 home by using this way.

Shell-only owners can get loan finance by filling in a standard schedule forms and sending major and sub-panels so that banks and finance companies can be sure the house will be finished.

The Auckland Savings Bank is offering Corporation do-its such homes if all the requirements are filled in — but you have to borrow for the shell with no guarantee when and how the job will be finished is not likely to succeed.

Craft Homes and Cottages manager Peter Keane said that most of their customers are in the middle to upper-middle group as low income earners could not easily borrow money on shell-only homes, not even if they could were able to meet the interest payments.

"Only people who can secure loans using other assets can go

in for this type of building," he said. "They are mostly people building beach or country houses, or older people selling homes which have got too big for them and moving into something smaller."

The advantage of the idea was that people could get a shell built quickly to lock-up stage and then finish them at their leisure and as their funds allowed, he said.

It sounds like a handyman's dream — having a structure to "camp" in while finishing it off. But it's not really a viable proposition until the buildings are at least plumbed, drained and powered.

Local authorities frown on the idea. Power boards will not usually connect electricity until walls are gib-boarded. So unless young couples have other accommodation, the shell-only concept will not solve urgent problems of finding somewhere to live.

A finance company spokesman told NBR that the idea boils down to a labour-only contract job with the home-owner organising the work himself. "Certainly you'll save money doing it this way, but we've found that the do-it-yourselfers often become disenchanted with it," he said.

"They're working at the same time, and all their weekends and holidays are spent working on the house so it becomes a bit of a drudge. At the end they often feel they'd have been better off getting the whole job completed in one go in the first place."

The savings involved come mainly in shopping around for the cheapest contracts. "Anyone who's a bit naive and doesn't get two or three quotes for each job probably won't save much at all," said Broughton.

But in these times when the average Auckland house price is around \$40,000, the shell-only home prices look attractive on paper. Craft and Rustic's colonial-style homes are their biggest sellers. Loft provide maximum living space on relatively small ground areas. Craft, which sheathes its houses with Hardiplank, is

advertising an 844 sq. ft. house for \$15,774.

Rustic Homes's slightly smaller rusticated weather-board house is \$16,140. Put one of these on a \$15,000 section (average Auckland price) and you have a shell house for a little over \$30,000. The price includes inner partitions ready for lining.

Keane says that if buyers sub-contract out the finishing work themselves they can complete the job, including wallpaper and paint, for a further \$8500, making a finished price of \$38,500 — \$2500 less than if they had a builder do the whole thing from scratch. And if they do all the labour they can save at least another thousand dollars.

His firm is working on about 40 homes now, most of them holiday houses in Northland and the Coromandel Peninsula.

Rustic has 16 on the go, and expects to build about 40 homes this year.

Sited in West Auckland, it has many clients who want to put a colonial cottage in the Waitakere bush and other frequent customers are 10-acre block and farm owners.

Craft Homes, a private company whose managing director is Steve Strachan, has been going 2½ years.

Rustic is a three-year-old business, owned by Glen Eden timber merchants F and B Jones.

Bush Haven Homes is also in the shell-house market, but its unique construction method puts it in a different category. Bush Haven has taken the old log-cabin idea and used modern technology to produce a modular type of construction.

It is rather more expensive for the basic shell, due to the

cost of the Corsican pine logs used in construction, but the finished house is on a par with conventional forms of building. The company sells the kit-set for a 737 sq ft home, for instance, for about \$14,500.

Getting a builder to put in foundations and erect it on site raises the cost to about \$18,500. But the owner saves on interior lining and insulation as the round logs, locked into a steel portal frame, provide the outside and inside finish.

Customers can line interior walls if they want to, but most like the "down home" log wall feeling.

Bush Haven home shells are free-standing with no load-bearing internal partitions which means that interior walls can be placed wherever they are wanted.

The modular system allows customers to add, subtract, or relocate areas of their homes to suit family needs.

Bush Haven has been in business for six years, and has built more than 400 homes all over New Zealand. Like Rustic Homes, it began with a holiday house marketing strategy. "But now 95 per cent of them are built as permanent homes on city and country sites," said marketing manager Richard Ellis.

SPECIAL PRE-PUBLICATION OFFER

The desk-top business partner which never lets you down

The brand-new, completely revised 22nd edition of *The New Zealand Business Who's Who* will be published in June. Order and pay for the latest, soon-to-be-published edition of *The New Zealand Business Who's Who* only one-stop business intelligence service now — and you save \$5.00 and get a free copy of *The Office Book* (a new annual guide to the rapidly changing NZ office scene).

The New Zealand Business Who's Who is an invaluable business partner of the alert (but ever sleeping) variety. After 22 editions and 42 years *The New Zealand Business Who's Who* is the most comprehensive business directory in New Zealand and is uniquely valuable as the country's only one-stop business information service.

In the 22nd edition there are over 500 pages of up-to-date detailed information about 10,426 companies and trading organisations operating in New Zealand. There has been a significant revision of 95 per cent of all entries since the last edition. There are 900 new companies listed. For the 22nd edition of *The New Zealand Business Who's Who* detailed information about 10,426 of New Zealand's leading commercial and industrial companies and organisations was fed into the country's most sophisticated computer file and then channelled into a number of invaluable cross-referencing indexes.

The Main Section



All listed companies and organisations are set out alphabetically within five main sub-sections — Auckland, Wellington, Christchurch, Dunedin and provincial cities and towns. Each listing is keyed to a number that provides cross-referencing to six other indexes.

The Classified Business Index



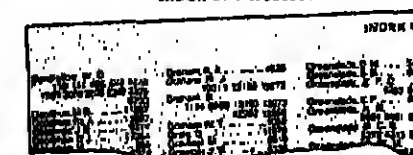
This section contains names, addresses and cross-referencing for all companies in the main index — classified by over 800 different trade headings.

The Buyers' Guide



In this section three indexes alphabetically group product categories, brand names and agencies and overseas principals and cross-reference back to the main section and other indexes. This section is an excellent reference for manufacturers, importers and wholesalers.

Index of Directors



This section alphabetically lists all directors of public and private companies appearing in the main section. It is particularly useful for checking multiple interests of individual directors and board table associations between companies.

The Company Ownership Index



This index lists subsidiaries and associated companies and references them back to parent companies in the main section. This index is invaluable for finding references to minor companies which are too small to require a complete listing in the main section but have some importance as subsidiaries or associations of listed companies.

Tax Deductible: *The New Zealand Business Who's Who* is tax deductible for companies and many individuals can claim \$20.00 per title for work-related publications.

The New Zealand Business Who's Who is the country's oldest established and most up-to-date business directory... and business partner to thousands of NZ business and professional people.

To take advantage of the special pre-publication offer of a \$5.00 discount and free copy of *The Office Book*, mail your cheque with the coupon below without delay. **Special Offer Closes May 31.**

New Zealand Business Who's Who, P.O. Box 9344, Wellington.

I/we wish to take advantage of the special NZ Business Who's Who pre-publication offer of a \$5.00 discount and free copy of *The Office Book*. I/we enclose \$35.00 (postage free).

NAME.....

COMPANY NAME.....

ADDRESS.....

SIGNATURE.....

Copies of both books will be supplied immediately following publication.

